

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0301
COMPANY NAME : ZANTAT HOLDINGS BERHAD
FINANCIAL YEAR : December 31, 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 PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the key role it plays in charting the strategic direction of the Group and has assumed the following principal responsibilities in discharging its fiduciary duties:</p> <ul style="list-style-type: none"> (a) Reviewing and adopting a strategic plan for the Group, addressing the sustainability of the Group's business; (b) Overseeing the conduct of the Group's businesses and evaluating whether its businesses are being properly managed; (c) Identify principal business risks faced by the Group and ensuring the implementation of appropriate internal controls and mitigating measures to address such risks; (d) Reviewing the adequacy and integrity of the Group's internal control and management information systems; (e) Carrying out periodic review of the Group's financial performance, operating results and major capital commitments; and (f) Reviewing and approving any major corporate proposals, new business ventures or joint ventures of the Group.
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

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

Practice 1.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Chairman leads the Board and is responsible for the effective performance of the Board. The Chairman conducts the Board meetings and discussions in a manner that encourages constructive discussions and effective contribution from each Director. Through the Company Secretary, he sets the board agenda and ensures that board members receive complete and accurate information in a timely manner and reviews the minutes of the Board meetings to ensure that the minutes accurately reflect the Board's deliberations, and matters arising from the minutes have been addressed properly.	
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>The position of the Chairman and Managing Director are held by two (2) different individuals to promote accountability and facilitate the division of responsibilities between them. In this regard, no one individual can influence the Board's discussions and decision-making.</p> <p>The Board is chaired by Mr Yap Yoon Kong, an Independent Non-Executive Chairman.</p> <p>Mr Yap Yoon Kong is responsible for instilling good corporate governance practices within the Group and to provide effective leadership and sound advice on the strategic direction of the Group and to his best effort, monitor and promote good governance practices of the Group.</p> <p>The Managing Director, Mr Chan Bin luan manages the business and operation of the Group and implements the Board's decisions.</p>
Explanation for departure	:	<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>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	The Chairman, Mr Yap Yoon Kong, is not a member of the Audit and Risk Management Committee, Nominating Committee or Remuneration Committee.
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>Our Company appointed Accoris Advisory Sdn Bhd, an external consultant in carrying out the responsibilities of the corporate secretarial matters and provides support to our Board and keep our Board's abreast of changes to Bursa Securities ACE LR and statutory requirements.</p> <p>Both our Company Secretaries, Ms Siew Suet Wei and Ms Lim Yen Teng, have the requisite credentials and qualified to act as the Company Secretaries pursuant to Section 235(2) of the Companies Act 2016.</p> <p>The Board is regularly updated and kept informed by the Company Secretaries and the Management of the requirements such as restrictions in dealing with the securities of the Company and updates as issued by the various regulatory authorities including the latest developments in the legislation and regulatory framework affecting the Group.</p> <p>For the FYE 2023, our Board is satisfied with the performance of our Company Secretaries in providing sound governance advice, ensure adherence to rules and procedures, and advocate of corporate governance best practices.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 meets on a scheduled basis at least once every quarter with additional meetings held as and when urgent issues and important decisions are required to be taken between the scheduled meetings. Prior to the Board Meetings, all Directors are provided with an agenda at least 5 business days from the date of Board Meetings and the relevant reports to facilitate discussion and to enable them to make informed decision.</p> <p>All proceedings of the Board Meetings are properly recorded in the minutes of meetings by the Company Secretary, the minutes are circulated in a timely manner.</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 Charter sets out the roles, duties and responsibilities of our Board and the application of principles and practices of good corporate governance. The Board Charter was adopted by our Board on 29 May 2023.</p> <p>The Board Charter would be periodically reviewed and updated in accordance with the needs of our Company and any new regulation that may have an impact on the discharge of our Board's responsibilities. Any subsequent amendments to the Board Charter can only be approved by our Board.</p> <p>The Board Charter is published at https://zantat.com.my/corporate-governance.php</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 Company's Code of Conduct and Ethics was adopted on 19 February 2024. It establishes appropriate standards of business conduct and ethical behaviour as a guide to ensure that the Directors and all employees of the Group discharge their respective duties and responsibilities with the highest professionalism and trustworthiness in order to uphold good corporate integrity.</p> <p>The Code of Conduct and Ethics is published at https://zantat.com.my/corporate-governance.php</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 put in place an avenue for employees and stakeholders to report genuine concerns about unethical behaviour, malpractices and illegal acts on failure to comply with regulatory requirements without fear of reprisal.</p> <p>The stakeholders may raise their concerns through the whistle-blowing channels as listed below. The whistle-blower may raise concerns by communicating via mail or email and attach any relevant supporting documents, other audio and visual evidence.</p> <p>The whistle-blower may choose to remain anonymous, but the Board reserves the right to decide whether to initiate an investigation depending on the merits and adequacy of initial evidence provided.</p> <p>The Whistleblowing Policy is published at https://zantat.com.my/corporate-governance.php</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	:	The Board assumes the ultimate responsibility for the integration of sustainability within the Group. Supported by Sustainability Steering Committee ("SSC") and Sustainability Working Group ("SWG"). The SSC oversees the sustainability efforts in place to ensure proper monitoring and reporting. The SWG shall oversee the identification, formulation, implementation and monitoring of sustainability matters and performance within the Group. Please refer to the Sustainability Statement in the Annual Report 2023 for further details.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board took cognisance that engaging in effective and meaningful dialogues and disclosures, while anticipating and meeting the needs of all stakeholders are fundamental to building trust and confidence and forms the foundation of good governance in the Group.</p> <p>Please refer to the Sustainability Statement in the Annual Report 2023 for further information.</p> <p>The Sustainability Statement is prepared in compliance with the ACE Market Listing Requirements issued by Bursa Malaysia Securities Berhad ("Bursa Securities").and is in adherence to best practice sustainability guidelines, standards and frameworks including:</p> <ul style="list-style-type: none">• Sustainability Reporting Guide – 3rd Edition;• Global Reporting Initiative Standards 2021 Core Option; and• United Nations Sustainability Development Goals.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board is kept abreast by the Company Secretaries on the changes to the ACE LR of Bursa Securities and Malaysian Code on Corporate Governance (“MCCG”), which are relevant to the Company on corporate disclosures and compliances including sustainability issues and reporting.</p> <p>The NC and Board would assess the trainings needs of the Directors to ensure that the Directors are continuously kept abreast of sustainability issues and climate-related risks and opportunities.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Departure	
Explanation on application of the practice	:	Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
Explanation for departure	:	The Company was listed on 27 March 2024 and will look into the criteria for the performance evaluations of the Board and the Management to address the material sustainability risks and opportunities.	
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The NC is responsible to oversee and review the overall composition of the Board in term of size, the required mix of skills, experience and other qualities and core competencies for the Directors of the Company.</p> <p>The effectiveness of the Board as a whole and the contribution of each Director to the effectiveness of the Board and the contribution of the Board's various committees as well as the tenure of each Independent Director will be assessed by the NC on an annual basis.</p> <p>The annual re-election of retiring Directors has been contingent on satisfactory evaluation of the retiring Directors' performance and contribution to the Board.</p> <p>In order to ensure a candidate for nomination, election or re-election as a Director of the Company fulfil the fit and proper requirements, the Board had on 19 February 2024 adopted a Directors' Fit and Proper Policy to serve as a guide to the NC and the Board in their review and assessment of those candidates.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Board presently comprises of 7 members, 4 of whom are Independent Non-Executive Directors, thus representing more than half and majority 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

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

Practice 5.3

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

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

Application	:	Applied	
Explanation on application of the practice	:	None of the Independent Directors has exceeded a cumulative term of nine (9) years in the Company as all were appointed to the Board on 31 March 2023.	
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 Board is supportive of boardroom diversity as it can offer greater depth and breadth compared to non-diverse board. The Board practices no discrimination in terms of appointment of Directors as well as hiring employees wherein the Directors and Senior Management are recruited based on their merit, skills and experiences and not driven by age, cultural background and gender.	
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 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board as a whole is responsible for recommending suitable candidates for Directorships to the Board. In evaluating potential candidates, the Board through the Nominating Committee will assess directorship suitability based on objective criteria, including:</p> <ul style="list-style-type: none">• Qualification;• Required competencies, skills, expertise and experience;• Specialist knowledge or technical skills;• Professionalism and integrity; and• Time commitment to the Company <p>In searching for suitable candidates, the Board may receive suggestions from existing Board Members, Management, and major shareholders. The Board is also open to referrals from external sources available, such as industry and professional associations, as well as independent search firms.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.7

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

Application	:	Applied	
Explanation on application of the practice	:	The Board will include a Statement in the Explanatory Notes accompanying the Notice of AGM on its recommendation for the re-election of retiring directors and the profiles of the retiring directors will be included in the Explanatory Notes in order for the shareholders to make an informed decision.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The NC is chaired by Dr Gan Seng Kian, an Independent Director of the Board. The NC Chairman shall lead the annual review of Board effectiveness, ensuring that the performance of each individual Director is independently assessed.	
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	:	Please provide an explanation on how the practice is being applied.	
Explanation for departure	:	The Board recognises that a gender-diverse Board could offer greater depth and breadth whilst the diversity at key senior management would lead to better decision-making. For the FYE 2023, the Board comprised of one (1) female Director which complies with the Listing Requirements of Bursa Securities.	
		The Board affirms that the appointment of more woman representatives to the Board and senior management will be prioritised when vacancies arise and when suitable candidates are identified.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

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

Application	:	Applied	
Explanation on application of the practice	:	Although the Group does not have a written policy on gender diversity, the Board is supportive of diversity in gender, ethnicity and age as such diversification would enlarge the pool of skills, talents, perspective, and ideas within the Board. The Group is an equal opportunity employer and does not practise discrimination of any form, whether based on age, gender, race, and religion, throughout the organisation.	
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	: Departure
Explanation on application of the practice	:
Explanation for departure	: The Company was listed on 27 March 2024 and will carry out board evaluations in the coming year.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Board formalised and adopted the Directors' Remuneration Policy on 19 February 2024. The remuneration of the Executive Directors shall be structured so as to link rewards to their performance and sufficient to attract and retain the Executive Directors. The Executive Directors do not participate in decision relating to their remuneration. The remuneration of the Independent Non-Executive Directors is to be determined in accordance with their experience and the level of responsibilities assumed in the Board Committees, their attendance, performance and expertise they bring to our 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

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

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

Practice 7.2

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

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

Application	:	Applied	
Explanation on application of the practice	:	The Remuneration Committee has a set of Terms of Reference defining its scope of authorities, responsibilities and duties. The Terms of Reference of our RC is published at https://zantat.com.my/corporate-governance.php	
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	:	The detailed disclosure on named basis for remuneration of individual Directors including fees, salary, bonus, benefit-in-kind are set out in the table below.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Chan Bin Iuan	Executive Director	-	-	-	-	-	-	-	50	84	576	300	-	116	1,126
2	Chan Jee Chet	Executive Director	-	-	-	-	-	-	-	50	84	468	300	-	103	1,005
3	Chan Hup Ooi	Non-Executive Non-Independent Director	-	-	-	-	-	-	-	50	-	396	83	16	39	584
4	Yap Yoon Kong	Independent Director	13	-	-	-	-	-	13	-	-	-	-	-	-	-
5	Poo Lap Tuck	Independent Director	13	-	-	-	-	-	13	-	-	-	-	-	-	-
6	Dr Gan Seng Kian	Independent Director	11	-	-	-	-	-	11	-	-	-	-	-	-	-
7	Rima Ramona Binti Muhammad Arif	Independent Director	11	-	-	-	-	-	11	-	-	-	-	-	-	-
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
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	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	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

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

Practice 8.2

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

Application	:	Applied – the company discloses the remuneration of members senior management who are not members of the board	
Explanation on application of the practice	:	The Board has adopted a disclosure of our Senior Management remuneration in bands of RM50,000 on a named basis are set out in the table below.	
Explanation for departure	:	Please provide an explanation for the departure.	
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Aw Ee Ling	Chief Financial Officer	150,001-200,000	50,001-100,000	50,001-100,000	0-50,000	50,001-100,000	350,001-400,000
2	Chan Eng Hue	Chief Operating Officer (KL Plant)	550,001-600,000	0-50,000	50,001-100,000	0-50,000	50,001-100,000	850,001-900,000
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

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

Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	The ARMC is chaired by Mr Poo Lap Tuck, an Independent Non-Executive Director, 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	:	None of the members of the ARMC were former key audit partners of the external audit firm of the Group. The terms of reference of our ARMC required a former key audit partner of our Company to observe a cooling-off period of at least 3 years before being eligible to be appointed as a member of our ARMC.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied	
Explanation on application of the practice	:	The Board and ARMC had at their respective meetings on 22 April 2024 recommended the re-appointment of Crowe Malaysia PLT for the financial year ending 31 December 2024. Crowe Malaysia PLT have met the criteria prescribed under the Rule 15.21 of the ACE LR and indicated their willingness to continue their services for the next financial year.	
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	:	Our ARMC comprise solely of the following Independent Non-Executive Directors: (a) Mr Poo Lap Tuck - Chairman (b) Dr Gan Seng Kian - Member (c) Rima Ramona Binti Muhammad Arif - Member

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>Our ARMC Chairman, Mr Poo Lap Tuck, is a Chartered Accountant of the Association of Chartered Certified Accountants (since 1987) and a member of the Malaysian Institute of Accountants (since 1988).</p> <p>All members of our ARMC are able to understand matters and issues within the capacity of our ARMC. The committee members possess the experience, knowledge and understanding on the business and the industry in which our Group operates in thus, enabling our ARMC to discharge its duties effectively.</p> <p>The qualification and experience of the individual ARMC members are disclosed in the Directors' Profile segment in the Annual Report 2023.</p> <p>The trainings and courses attended by the members of our ARMC members are disclosed in the Corporate Governance Overview Statement in Annual Report 2023.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has ultimate responsibility in reviewing the Company's risks, approving the risk management framework and policy and overseeing the Group's strategic risk management and internal control framework to achieve its objectives within an acceptable risk profile as well as safeguarding the interest of stakeholders and shareholders and the Group's assets.</p> <p>The Board is supported by the Audit and Risk Management Committee ("ARMC") which is chaired by Mr Poo Lap Tuck, our Independent Non-Executive Director. The primary responsibility and purpose of the ARMC is to assist the Board in fulfilling its responsibility with respect to evaluating, reviewing and monitoring the Group's risk management framework and activities on on-going basis. The ARMC reports to the Board regarding the Group's risk exposures, including review risk assessment model used to monitor the risk exposures and Management's view on the acceptable and appropriate level of risks faced by the Group.</p> <p>Further information on the Group's risk management and internal control framework is presented in the Statement on Risk Management and Internal Control of the Company's Annual Report 2023.</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 10.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Board has disclosed the features of its risk management and internal control framework, the adequacy and the effectiveness of this framework are set out in the Statement on Risk Management and Internal Control ("SORMIC") in the Annual Report 2023. The SORMIC which has been reviewed by the external auditor provides an overview of the state of risk management and internal control within the Group governed by the frameworks.	
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 ARMC is chaired by Mr Poo Lap Tuck, an Independent Non-Executive Director and comprises fully Independent Directors. The members of the ARMC are: (a) Mr Poo Lap Tuck - Chairman (b) Dr Gan Seng Kian - Member (c) Rima Ramona Binti Muhammad Arif - Member

Intended Outcome

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

Practice 11.1

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

Application	:	Applied	
Explanation on application of the practice	:	The internal audit function of our Company is effective and remains independent all the time. The internal audit function is set out in the Statement on Risk Management and Internal Control.	
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>In preparation for the listing on the ACE Market of Bursa Securities, our Company had engaged Sterling Business Alignment Consulting Sdn Bhd, an independent professional consulting company, which is independent of the activities and operations of our Group as its Internal Control Review Consultant to review the adequacy and sufficiency of systems, procedures and controls of our Group.</p> <p>The internal audit team was helmed by 4 professionals from the firm, including the head of the team. The head of the team, Dr So Hsien Ying, is a member of the Institute of Internal Auditors, Malaysia, and a Certified Internal Auditor with more than 20 years working experience.</p> <p>Subsequent to the Listing, the Group has engaged YC Consultancy, an independent professional consulting company, to provide the internal audit services for the Group commencing 2024.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	Information about our Group's business and corporate developments are disseminated through the Annual Report, various disclosures to Bursa Securities including quarterly financial results, changes in shareholdings and other announcements in accordance with the ACE Market Listing Requirements of Bursa Securities were made from time to time. In addition, our Group maintains a website at https://ir2.chartnexus.com/zantat/ir-homepage.php where shareholders or investors may access information of our Group encompassing corporate information, latest financial results, annual report, announcements to Bursa Securities, Board Charter, other Board policies and Board Committees' 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

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	:	Applied	
Explanation on application of the practice	:	The Company adopted integrated reporting for communication of the Company’s goals, strategic direction, sustainability efforts and governance policies, with a focus on long-term creation. The Company’s first Integrated Annual Report 2023 is prepared based on the <IR> Framework 2024 as developed by the International Integrating Reporting Council (IIRC).	
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>Our Company was listed on 27 March 2024 and our 1st AGM was conducted prior to listing on 30 June 2023. The Notice of the 2nd AGM shall be sent to the shareholders at least 28 days prior to the date of the 2nd AGM of our Company scheduled to be held on 25 June 2024.</p> <p>The Notice of 2nd AGM shall include the details of the proposed resolutions and the explanatory notes to enable shareholders to make an informed decision in 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>The date of the 2nd AGM has been fixed on 25 June 2024 and shall be conducted as a fully virtual meeting.</p> <p>All the Directors, the Chairman of our Board and Board Committees will be attending our upcoming AGM, barring unforeseen circumstances, to provide a meaningful response to questions that are addressed to them.</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	:	The Company shall leverage on technology to facilitate remote shareholders’ participation and electronic voting for the conduct of poll on the resolutions set out in the Notice of AGM. For shareholders who were unable to attend the meetings, they may appoint proxy/proxies to vote on his/her behalf.	
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 :	The shareholders will be allowed to submit their questions electronically through the online platform provided by the Poll Administrator, via its query box to transmit questions to the Board of Directors via Remote Participation and Voting (RPV) facilities during live streaming of the 2nd AGM. Our Board will endeavour to answer all questions posed by our shareholders.
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 :	Applied
Explanation on application of the practice :	The Board shall endeavour to ensure that the required infrastructure and tools are in place to enable the smooth broadcast of the 2nd AGM and meaningful engagement with the shareholders. The questions posed by the shareholders shall be responded by the Directors.
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	: Our Company is mindful of the requirement to circulate the minutes of the general meeting no later than 30 business days after the general meeting. Our Company aims to publish the Minutes of our upcoming AGM to make available to shareholders no later than 30 business days after the AGM on our Company's website at https://ir2.chartnexus.com/zantat/ir-homepage.php
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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