

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 0094  
**COMPANY NAME** : Zen Tech International Berhad  
**FINANCIAL YEAR** : June 30, 2023

## OUTLINE:

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

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

### **SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>When performing its fiduciary and leadership duties, the Board of Directors (the "Board") has defined specific tasks and responsibilities. The Board Charter, which is published on the Company's website at <a href="https://ztech.com.my/corporate-governance/">https://ztech.com.my/corporate-governance/</a>, outlines the tasks and responsibilities of the Board. The following are a list of the Board's primary duties:</p> <ul style="list-style-type: none"><li>• The Board is crucial in developing the Group's strategic direction and laying out its short and long-term goals. It also plays a crucial role in monitoring and evaluating the Group's business operations and performance in a structured, controlled environment while ensuring that it abides by the best practices in corporate governance.</li><li>• The Independent Non-Executive Directors' role is particularly important in providing objective and independent views, advice, and judgements to ensure that the interests of minority shareholders and the general public are given due consideration, while the Executive Directors are responsible for leading and managing the Group's daily operational matters, including the coordination and implementation of policies and strategic decisions for the expansion of the business.</li><li>• The Board has assigned specific duties to the Board Members and Board Committees to manage crucial or significant functional areas and to deal with issues that call for in-depth analysis or deliberation.</li></ul> <p>Each Board Committee's Terms of Reference, which are published on the Company's website at <a href="https://ztech.com.my/corporate-governance/">https://ztech.com.my/corporate-governance/</a>, outlines the roles and responsibilities of each Board Committee in the duties that the Board has delegated to them.</p>

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

## Intended Outcome

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

## Practice 1.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Seven (7) members make up the Company's Board of Directors. The following composition conforms with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad:</p> <ul style="list-style-type: none"><li>• One (1) Independent Non-Executive Chairman</li><li>• Two (2) Independent Non-Executive Directors</li><li>• One (1) Non-Independent and Non-Executive Director</li><li>• Three (3) Executive Directors</li></ul> <p>The Independent Non-Executive Directors are not Group's employees and are not involved in the Group's operations on a daily basis. They are not involved in any business or other relationships that could significantly impede their ability to exercise independent judgement.</p> <p>They provide an outside viewpoint, constructively critique and aid in the development of strategy suggestions, examine the effectiveness of Management in achieving set goals and objectives, and keep an eye on the risk profile of the Group's businesses as well as the reporting of quarterly business results.</p> <p>Our Chairman, Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir, a seasoned and well-known entrepreneur at the local and international levels. When appropriate, Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir actively and constructively contributes to the discussion of any issues presented before the Board or Board Committees and offers wise and useful advice or suggestions.</p> <p>Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir has the capacity to steer and direct the course of a meeting, to bring up important and relevant issues, to promote frank, constructive and open debate, and to steer the Board members toward making wise and well-informed choices and/or recommendations.</p>
<b>Explanation for departure</b>	:	

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

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

**Intended Outcome**

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

**Practice 1.3**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir serves as the Board's Chairman, and Mr. Siva Kumar A/L Kalugasalam, Dato' Zhang Li, and Mr. Chow Hung Keey serve as the Board's Executive Directors.</p> <p>Separate individuals hold the positions of Independent Non-Executive Chairman and Executive Directors, with a distinct separation of duties and power. A balance of power and authority is ensured by the separation of the roles of Chairman and Executive Directors.</p> <p>The Chairman is in charge of maintaining the Board's proper conduct, and the Executive Directors are responsible for ensuring that the Group's daily operations and business affairs function efficiently and effectively as well as implementing the Board's decisions.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
<b>Application</b> :	Departure
<b>Explanation on application of the practice</b> :	
<b>Explanation for departure</b> :	<p>The Chairman of the Board, Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir is also a member of Audit Committee, Nomination Committee and Remuneration Committee.</p> <p>The Board currently only has three Independent Non-Executive Directors and one Non-Independent Non-Executive Director, and the Company is yet to identify any further qualified candidates. Should more directors be appointed, the Board will reassess who chairs the board committees and their composition.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### Intended Outcome

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

### Practice 1.5

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	In accordance with Section 235(2)(a) of the Companies Act 2016, the Board is assisted by qualified company secretary who is a member of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"). He offers a wealth of knowledge and expertise from his time spent in public practice, and he also receive support from a committed group of company secretarial staff.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



**Intended Outcome**

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

**Practice 1.6**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board papers are distributed in advance of the Board meetings to give the Directors time to peruse, ponder, and, if required, seek additional clarifications so they are fully informed before the meeting. The Board members typically get the meeting materials, including the minutes of previous meetings, about 7 days before the meetings.</p> <p>All meetings of the Board and Board Committees are properly convened by the Company Secretary. After the meetings, the Company Secretary will make sure that accurate and proper records of the events and resolutions adopted are documented. The minutes will then be distributed to the members of the Board and Board Committees for review and confirmation.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

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

### Practice 2.1

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board has adopted the principles of good corporate governance and practise in compliance with the relevant Malaysian laws, and the Board Charter outlines the Board's duties and responsibilities, composition, and operation.  The Board periodically examines this charter and makes any necessary adjustments to maintain it consistent with the Board's goals and current legislation and regulations.  The Board Charter is available on the Company's website at <a href="https://ztech.com.my/corporate-governance/">https://ztech.com.my/corporate-governance/</a>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

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

### Practice 3.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Board is dedicated to conducting itself in line with the strictest codes of business conduct and every pertinent regulation, rule, and law. The Code of Conduct and Ethics offers guidelines for Directors addressing moral and ethical issues as they deal with their responsibilities and obligations throughout their appointment.  The Code of Conduct and Ethics is available on the Company's website at <a href="https://ztech.com.my/corporate-governance/">https://ztech.com.my/corporate-governance/</a>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 3.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board and Management are dedicated to operating the Company's operations and activities with the utmost transparency, accountability, and integrity.</p> <p>In this regard, the Company is steadfastly working to create a culture of transparency and honesty where anyone who is aware of potential malpractice or wrongdoing is encouraged to disclose such concerns in good faith without fear of retaliation.</p> <p>Thus, a whistle-blowing policy was established to give all our employees and members of the public a way to report any unacceptable conduct in accordance with the steps outlined in this policy, as well as to protect those who make such reports on behalf of our employees and the general public.</p> <p>The Whistle-Blowing Policy's provisions are accessible for review on the Company website at <a href="https://ztech.com.my/corporate-governance/">https://ztech.com.my/corporate-governance/</a></p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 4.1

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

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board of Directors are responsible for overseeing the Group's overall sustainability performance and is in charge of the Company's sustainable governance structure. The Executive Directors formed a management committee, which reports to the Board and oversees supervising sustainability practices, policies, and processes in order to enhance sustainability performance. The Sustainability Statement of the Annual Report 2023 contains details on key sustainability issues and strategies.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board recognises that the crucial initiatives in enhancing sustainability at the Company are stakeholders’ involvement, consultation, and regular feedback collection.</p> <p>Stakeholders’ engagements were conducted during the financial year through formal and informal channels to explain the Company's sustainability strategy and priorities. The Management will analyse and discuss any feedback received internally.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.3**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board has sufficient understanding and knowledge of the sustainability issues that are relevant to the Company and its business and to discharge its role effectively.</p> <p>Following the emergence of COVID-19, which elevated sustainability importance and heightened scrutiny on how it manages and responds to the immediate impact of the crisis, the Group had given sustainability a priority and had concentrated on it in business operations and areas relevant to them.</p> <p>During the Board meetings, the Board expressed its thoughts and opinions on any sustainability-related concerns facing the Group. All views and opinions expressed by the Board would be addressed by the Sustainability Committee, which would then take these views and opinions into consideration when modifying, amending, or improving the Group's sustainability strategy.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.4**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>A risk register with the corresponding mitigation plans is being kept up to date by the Board and the Management team. Every time there are changes or a new risk is identified, the Management is responsible to report to the Risk Management and Investment Committee. The Committee will evaluate and ensure an adequate risk management system is put in place, considering the important sustainability risks and opportunities.</p> <p>During the annual performance evaluation, the Board will review if all the principal risks have been identified and proper risk management system has been implemented.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



**Intended Outcome**

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

**Practice 4.5- Step Up**

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

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

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

**Intended Outcome**

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

**Practice 5.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Nomination Committee oversees the overall makeup of the Board, including the mix of skills, experience, and core competencies required for the Board to fulfil its tasks and obligations.</p> <p>Every year, the Board will be evaluated for its overall performance, each Director's contribution to that effectiveness, and the contributions of the Board's Committees.</p> <p>The Board Charter further stipulates that an Independent Director's tenure shall not more than nine years in total. The Annual General Meeting must approve Independent Directors who want to serve on the Board for more than nine years. The annual re-election of retiring Directors has been subject to a positive assessment of their performance and contribution to the Board.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 5.2

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	During the financial year, the Board have three (3) out of the seven (7) members are Independent Non-Executive Directors.  The composition complies with the requirement of the Rule 15.02(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad to have at least two (2) or one third (1/3) of its members make up of Independent Non-Executive Directors.	
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	Choose an item.	

**Intended Outcome**

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

**Practice 5.3**

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board currently does not have independent director that have served for more than nine (9) years.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.4 - Step Up**

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

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

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

### Intended Outcome

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

### Practice 5.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	This practice is reflected in the Company's Terms of Reference ("TOR") of Nomination Committee and Directors' Fit and Proper Policy.  The functions of Nomination Committee in the TOR are: <ul style="list-style-type: none"><li>• To assist the Board in reviewing on an annual basis the appropriate size and balance of the Board, including appropriateness of non-executive participation.</li><li>• To review the required mix of skills, experience, knowledge, and responsibilities of Board of Directors</li><li>• To recommend candidates for appointments to the Board and Board Committees and to ensure appropriate assessment of the Directors on an ongoing basis.</li></ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.6

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	Identifying and recommending new appointments to the Board is within the purview of the Nomination Committee. The prospective candidates may come from independent sources, incumbent directors, senior management personnel, shareholders, or third-party referrals.  On the advice of senior management and independent directors (hereafter, "IDs"), new directors were chosen during the financial year in question. Since management and IDs are familiar with the Company's needs and business environment, their referrals and suggestions are more useful in terms of meeting those needs and expectations while also saving the Company's cost by avoiding the need to contact outside sources for candidate recommendations.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.7

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Directors' profile in the Annual Report contains information about the interests, employment, and experience of the Directors. Before making a recommendation to the shareholders for consideration, the Nomination Committee ("NC") and the Board of Directors evaluate the performance of the retiring directors. The NC evaluates independent directors' relationships with executives that could influence might reasonably be thought to affect their ability to make an independent decision and act in the best interests of the listed company as a whole.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



**Intended Outcome**

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

**Practice 5.8**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Nomination Committee is currently chaired by Edwin Silvester Das, a Senior Independent Non-Executive Director.</p> <p>The members of Nomination Committee comprised:</p> <ul style="list-style-type: none"> <li>i. Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir (Independent Non-Executive Chairman); and</li> <li>ii. Mr. Wong Kok Fong (Independent Non-Executive Director)</li> </ul>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 5.9

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>Currently, there is only one (1) female director on the Board, Dato' Zhang Li, who is an Executive Director and represents 14.2% of all the Directors.</p> <p>The Board acknowledges board diversity, including gender diversity, as a crucial component of sound corporate governance and a quality of a board that functions well. The Board holds the opinion that, while a number of diversity-related factors, including gender, will be taken into consideration when choosing candidates for appointments to the Board, the merit and contribution that the selected candidates will make to the Board should take precedence when making appointments to the Board. The Board will appoint additional female directors when qualified individuals are found, and it makes a constant effort to discover potential female directors for nomination.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	Choose an item.	

**Intended Outcome**

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

**Practice 5.10**

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	Although the Company does not have a formal strategy and target established on gender diversity, the Board now has one (1) female member, which added depth and variety in experience, expertise, and viewpoints to the Company's business operation. In fact, the Board is made up of experts from a variety of backgrounds who are dedicated to acting with professionalism and corporate ethics in all of their pursuits.	
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	Choose an item.	

## Intended Outcome

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

### Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>The Nomination Committee ("NC") reviewed and evaluated the combination of abilities, competence, composition, size, and experience of the Board of Directors for the financial year ended 30 June 2023. The NC also reviewed and assessed each Director's performance as well as the efficiency of the Board and its Committees. All of the Company's Directors received performance evaluation questionnaires for comments, and after receiving all of the completed forms, the NC reviewed and discussed them.</p> <p>The NC will form an opinion and make a recommendation to the Board based on the findings and comments noted in the Board's evaluation forms as well as other performance evaluation sheets, such as the Audit Committee ("AC"), Remuneration Committee, and the Directors' Self-Evaluation Form.</p> <p>Additionally, the NC had evaluated the performance of the AC and its members as well as the terms of office of the AC members.</p> <p>The Board then came to the conclusion that the composition of the Board is sufficiently balanced to ensure ongoing effectiveness and efficiency based on the NC's feedback and recommendation.</p>
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:

<b>Timeframe</b>	:		
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### Intended Outcome

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

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

### Practice 7.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has established a remuneration policy to facilitate the Remuneration Committee (“RC”) to review, consider and recommend to the Board for decision on the remuneration packages of Executive Directors.</p> <p>The remuneration of the Executive Directors are reviewed by the RC and for their consideration and recommendation to the Board for approval. The Executive Directors are entitled to other benefits provided to employees of the Company and other additional benefits if so proposed by the RC for its consideration and recommendation to the Board for approval.</p> <p>The remuneration of non-executive directors, which made up of Directors’ fee is determined by the Board. The remuneration policy is available for reference at the Company’s website at <a href="https://ztech.com.my/corporate-governance/">https://ztech.com.my/corporate-governance/</a></p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 7.2

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board has established its Remuneration Committee and has defined the terms of reference of this Committee which has published in the Company's website at <a href="https://ztech.com.my/corporate-governance/">https://ztech.com.my/corporate-governance/</a>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 8.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Company has disclosed in its Annual Report 2023 the remuneration of individual Directors on named basis.



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	Dato Helen Zhang Li	Executive Director	-	54	278	-	-	-	332	-	-	-	-	-	-	-
2	Siva Kumar Kalugasalam	Executive Director	-	42	180	-	-	-	222	-	-	-	-	-	-	-
3	Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir	Independent Director	120	-	-	-	-	-	120	-	-	-	-	-	-	-
4	Chow Hung Keey	Executive Director	-	-	144	-	-	-	144	18	-	-	-	-	-	18
5	Edwin Silvester Das	Independent Director	60	-	-	-	-	-	60	-	-	-	-	-	-	-
6	Dato' Megat Fairouz Junaidi Bin Megat Junid (resigned w.e.f. 29 November 2022)	Independent Director	55	-	-	-	-	-	55	-	-	-	-	-	-	-
7	Zhang Yang	Non-Executive Non-Independent Director	60	-	-	-	-	-	60	-	-	-	-	-	-	-
8	Wong Kok Fong (appointed w.e.f. 26 June 2023)	Independent Director .	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Company respects the confidentiality of the remuneration of the Senior Management in view of the competitive nature of human resource market. Thus, the Company does not have the intention to adopt the recommendation to disclose the details of each member of senior management in bands of RM50,000 on a named basis.	
		However, the Company would endeavour to ensure that the remuneration package of the employees is in line with the industry practices and the annual increments and bonuses pay-out are based on individual performances.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

**Intended Outcome**

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

**Practice 8.3 - Step Up**

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

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

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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	Presently, the Chairman of the Audit Committee is Mr. Edwin Silvester Das whilst the Chairman of the Board is Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The requirement for a former audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the Audit Committee is part of the Terms of Reference of the Audit Committee.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group and Messrs. SBY Partners PLT, the Group's External Auditors, have established a professional and transparent relationship. The authority to speak with them directly has been expressly granted to the Audit Committee. By strengthening the accuracy of the Group's financial statements and providing users with assurance of their accuracy, the External Auditors play a crucial role for the shareholders. The External Auditors are invited to the Audit Committee meetings during the audit of the Group's financial statements to present the audit plan and audit results. The shareholders' consent at the annual general meeting is required for the nomination of the External Auditors.</p> <p>The Audit Committee commits to carrying out the following tasks as part of its duties and obligations, which include evaluating the suitability, objectivity, and independence of the External Auditor: -</p> <ul style="list-style-type: none"><li>• review the appointment of External Auditors, the audit, resignation, or dismissal and to make recommendations to the Board;</li><li>• review the audit plan, the nature and scope of audit with the External Auditors before the audit commences;</li><li>• review the proposed audit fees for the External Auditors in respect of their audit of the Group;</li><li>• review any management letters sent by the External Auditors to the Company and the Management's response to such letters;</li><li>• review the Company's policies and procedures with the Management and External Auditors to ensure the adequacy of accounting and financial reporting controls;</li><li>• review the audit findings raised by the External Auditors and ensure that issues are being managed and rectified appropriately and timely manner;</li><li>• review the assistance given by the officers and employees of the Group to the External Auditors;</li><li>• have direct communication channels with the External Auditors and to meet with the External Auditors at least twice a year; and</li><li>• discuss issues arising from the interim and final audit and any matter the External Auditors may wish to discuss.</li></ul>

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

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	All the members of Audit Committee are Independent Directors of the Company.

## Intended Outcome

There is an effective and independent Audit Committee.

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

## Practice 9.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The members of the Audit Committee have the necessary background in accounting, finance, and business, and they have carried out their responsibilities in accordance with the Audit Committee's Terms of Reference.</p> <p>As stated in the Directors' Profiles of the Annual Report 2023, each member of the Audit Committee has the education and experience that are listed there.</p> <p>All members of Audit Committee have also undertaken and will continue to undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules as and when required to enable them to effectively discharge their duties.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 10.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board has created an ongoing procedure for identifying, assessing, and managing substantial risks posed by the Group. The Board evaluates this continuing procedure, which includes revising the internal control system if there are modifications to the business environment or legal requirements.</p> <p>The Statement on Risk Management and Internal Control of the Company’s Annual Report 2023 presents the elements of the Group’s risk management and internal control framework, including the risk policy, risk appetite, risk assessment, and the review process by the Board and Audit Committee, as well as the key internal controls.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

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

**Practice 10.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Statement of Risk Management and Internal Control of the Company’s Annual Report 2023 provides specifics of the components of the framework for risk management and internal control, as well as the sufficiency and effectiveness of this framework.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

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

**Practice 10.3 – Step Up**

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

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The Board has established Risk Management and Investment Committee to oversee the risk management framework and policies. The Risk Management and Investment Committee comprises exclusively of Independent Directors.

### Intended Outcome

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

### Practice 11.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Audit Committee receives assistance from Vaersa Advisory Sdn Bhd, an independent internal audit consulting firm, in providing assurance on the effectiveness, suitability, and integrity of the Group's internal control systems.</p> <p>Internal auditors' responsibilities include conducting routine and systematic reviews of internal controls and delivering independent, unbiased reports to the Audit Committee on the effectiveness of internal controls and procedures in the Group's operating business entities and the degree of compliance with relevant policies and procedures as well as laws, regulations, directives, and regulatory requirements.</p> <p>The internal audit plan was created based on the core risk areas and significant operating units of the Group, and it is reviewed and approved by the Audit Committee. In accordance with an established internal audit plan, the internal auditors conducted audits and submitted independent reports to the Audit Committee. The Audit Committee received a presentation of the conclusions and suggestions from the internal audit reviews.</p> <p>The Internal Auditors also conducted follow-up inspections to make sure that corrective actions had been taken promptly.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



## Intended Outcome

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

## Practice 11.2

The board should disclose–

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group's internal auditing role has been outsourced by the Board to Vaersa Advisory Sdn Bhd, which reports directly to the Audit Committee. The internal auditors from Vaersa Advisory Sdn Bhd, led by the Director, Mr. Quincy Gan ("Mr. Quincy"), are free from any connections or conflicts of interest that would compromise their impartiality and independence and are qualified to conduct internal audit evaluations. Mr. Quincy Gan is a certified member of the Malaysian Institute of Internal Auditors.</p> <p>The Internal Audit team is made up of 4 personnel headed by Mr Quincy. Mr Quincy has more than 16 years' experience in internal audit and risk management in international big four audit firm. All the internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence during the course of the work.</p> <p>The internal audit work was carried out in accordance with a framework set by a recognised professional body i.e., International Professional Practice Framework issued by Institute of Internal Auditors, of which final communication of internal audit plan, processes and results of the internal audit assessment are supported by sufficient, reliable and relevant information which signifies a satisfactory conclusion of the internal audit works.</p> <p>The details of the internal audit function are elaborated in the Audit Committee Report of the Annual Report 2023.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

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

**Intended Outcome**

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

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

**Practice 12.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board updates shareholders through various announcements, the release of quarterly financial statements, annual reports, shareholders’ circulars, policies, and the Board Charter on the Company's website.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

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

**Practice 12.2**

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

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

**Intended Outcome**

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

**Practice 13.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Notice of Seventeenth (17 <sup>th</sup> ) Annual General Meeting (“AGM”) of the Company which held on 30 November 2022 was sent to the shareholders at least 28 days prior to the date of the 17 <sup>th</sup> AGM to give sufficient time to shareholders to consider the resolutions that will be discussed and decided at the 17 <sup>th</sup> AGM. The Notice of AGM, which sets out the businesses to be transacted at the AGM, was also published in a major local newspaper.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 13.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>During the Seventeenth (17<sup>th</sup>) Annual General Meeting (“AGM”) held on 30 November 2022, the Chairman of the Board and the respective Board Committees were present to facilitate discussions and address any questions. Shareholders may have on matters that fall under the purview of the Board Committees.</p> <p>For the coming AGM, barring any unforeseen circumstances, the Board will continue its past practice to have the full Board present at the AGM which included the Chairman of the Board Committees.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company had utilised the use of technology to enable electronic voting for all resolutions and remote shareholder engagement for its Seventeenth (17<sup>th</sup>) Annual General Meeting (“AGM”) on 30 November 2022.</p> <p>Agmo Digital Solutions Sdn Bhd's Remote Participation and Voting (RPV) facilities were used throughout the 17<sup>th</sup> AGM on 30 November 2022, via its <a href="https://web.vote2u.my">https://web.vote2u.my</a> website. During the 17<sup>th</sup> AGM, which was broadcasted live, the shareholders were able to register for remote participation, submit proxy forms electronically, attend and participate remotely via live streaming, and vote remotely online on the resolutions put forth at the 17<sup>th</sup> AGM.</p> <p>The Eighteenth (18<sup>th</sup>) AGM of the Company will also be held virtually using facilities for remote participation and electronic voting from the broadcast venue; specifics will be included in the Administrative Guide and Notice of the 18<sup>th</sup> AGM of the Company.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>Prior to the Seventeenth (17<sup>th</sup>) Annual General Meeting ("AGM") held on 30 November 2022, shareholders had the option of submitting questions electronically through the Agmo Digital Solutions Sdn Bhd's provided online platform via its <a href="https://web.vote2u.my">https://web.vote2u.my</a> or using the query box to ask questions to the Board of Directors while the 17<sup>th</sup> AGM was being streamed live.</p> <p>Senior management, the Board, and the Chairman of the Board were present to respond to inquiries made of them during the 17<sup>th</sup> AGM. Before and during the 17<sup>th</sup> AGM, shareholders and proxies had enough chance to ask questions. During the 17<sup>th</sup> AGM, the Chairman read out the questions, to which the Board and senior management duly replied.</p> <p>The 17<sup>th</sup> AGM's questions and answers as well as the meeting's minutes were posted online by the Company.</p>
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  



**Intended Outcome**

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

**Practice 13.5**

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	The virtual Seventeenth (17 <sup>th</sup> ) Annual General Meeting (“AGM”) was conducted smoothly without any downtime or disruption.  The administrative guide on remote participation were provided to shareholders and proxies before the meeting. Before and during the 17 <sup>th</sup> AGM, shareholders and proxies had enough chance to ask questions. During the virtual 17 <sup>th</sup> AGM, the Chairman read out the questions, to which the Board and senior management duly replied.
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### Intended Outcome

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

### Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The minutes of the Seventeenth (17 <sup>th</sup> ) Annual General Meeting (“AGM”) held on 30 November 2022 were made easily accessible on the group’s website within 30 days upon conclusion of the meeting. This represents the Board’s awareness of the importance of the timely release of general meeting minutes for the perusal of shareholders.
<b>Explanation for departure</b>	:  Please provide an alternative practice and explain how the alternative practice meets the intended outcome.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	: Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	: Choose an item.

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

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

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