

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7054
COMPANY NAME : ASTRAL ASIA 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 PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board is responsible for providing leadership in formulating corporate strategic plans, setting key policies and acceptable principal risks level and acts as an effective oversight over Management's performance.</p> <p>In discharging its duties and responsibilities, the Board is assisted by various Committees:-</p> <ul style="list-style-type: none">a) Audit Committee;b) Nomination Committee; andc) Remuneration Committee <p>The Board ensures the Group's businesses are conducted in a responsible, trustworthy and ethical manner while accepting accountability for impacts on environment, social and governance.</p> |
| Explanation for departure | : | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |
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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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | The role of the Chairman of the Board is currently assumed by Dato' Haji Arpan Shah Bin Satu, the Independent Non-Executive Chairman ("Chairman"). His profile can be viewed at the Company's Annual Report 2023. As provided under the Company's Board Charter, which is accessible at the Company's website at www.astralasia.com , the Chairman carries out a leadership role in conducting and ensuring effectiveness of the Board and its relationship with shareholders and other stakeholders. | |
| 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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The position of Chairman is held by Dato' Haji Arpan Shah Bin Satu, while the position of Managing Director ("MD") is held by Mr Lim Guan Shiun.</p> <p>The role and responsibilities of our Chairman and MD are formally documented in our Board Charter. The separation of roles ensures there is a balance of power and authority in accordance with good corporate governance 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 1.4

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

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| <i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i> | | |
| Application | : | Departure |
| Explanation on application of the practice | : | |
| Explanation for departure | : | <p>The Chairman of the Board, Dato' Haji Arpan Shah Bin Satu is a member of the Audit, Nomination and Remuneration Committees.</p> <p>The Board has put in place safeguard mechanisms in the form of checks and balance to prevent the exercising of undue influence on Committee-level deliberations by the Chairman. The decision-making processes of the respective Committees are collectively made in accordance with the TOR of each Committee as well as all other applicable policies, procedures and laws.</p> <p>Given his background, the Audit, Nomination and Remuneration Committees are often able to leverage on the implicit knowledge, accumulated experience and insights of the Chairman in making key Committee decisions, that are made in the best interests of the Company</p> |
| | | 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

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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Company has appointed two names secretaries who are qualified to act as Company Secretary under Section 235(2) of the Companies Act 2016 ("CA") for the Company and its subsidiaries. One of them is an Associate member of Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and another one was a member of Malaysian Institute of Accountant ("MIA").</p> <p>The Company Secretaries provide support to the Board in fulfilling their fiduciary duties and leadership role in shaping the CG of AAB Group. In this respect, they play an advisory role to the Board, particularly with regard to the Company's constitution, Board policies, procedures and its compliance with regulatory requirements, codes, guidance and legislations. The Company Secretaries also support the Board in managing the Group Governance Model to ensure its relevance and effectiveness.</p> <p>Every Director has access to the advice and services of the Company Secretaries. The Board believes that the Company Secretaries are capable of carrying out their duties to ensure the effective functioning of the Board and the terms of appointment of the Company Secretaries permits their removal and appointment of a successor only by the Board as a whole.</p> |
| Explanation for departure | : | |
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| <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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | The agenda and full set of board papers for consideration are distributed 7 days before each meeting of the Board to ensure that the Directors have sufficient time to study them and be properly prepared for discussion and decision making. | |
| | | The Boards’ deliberation of the issues discussed and conclusions reached is duly recorded in the minutes of meetings which will be circulated to Board members and subsequently confirmed by the Chairman in the next meeting. | |
| | | The Chairman of the respective committees inform the Board any salient matters raised at the committee meetings which require the Board’s approval. | |
| Explanation for departure | : | | |
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| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. | | | |
| Measure | : | | |
| Timeframe | : | | |
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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.

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|---|---|--|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The Board had established the Board Charter as a source of reference to the Board in the fulfilment of its authority, roles, functions, composition, duties and responsibilities which are in line with the principles of good corporate governance and provide a primary induction literature by providing insights to prospective Board members and Senior Management.</p> <p>The Board Charter can be accessed at the Company’s website at www.astralasia.com.</p> <p>The Board will continue to update the Board Charter from time to time to reflect changes to the Company’s policies, procedures and processes as well as the latest relevant legislation and regulations.</p> | |
| Explanation for departure | : | | |
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| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. | | | |
| 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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The Board has formalised a Code of Ethics to enhance the standard of corporate governance behaviour with the intention of achieving the following aims:-</p> <ol style="list-style-type: none">1. To establish a standard of ethical behaviour for Directors based on trustworthiness and values that can be accepted, are held or upheld by any one person; and2. To uphold the spirit of responsibility and social responsibility in line with the legislation, regulations and guidelines for administering a company. <p>The Code of Conduct can be accessed at the Company’s website at www.astralasia.com.</p> | |
| Explanation for departure | : | | |
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| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. | | | |
| 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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The Company had adopted a Whistleblowing Policy which outlined how and to whom a concern may be properly raised about the actual or potential fraud or breach of regulatory requirements.</p> <p>Under the policy, a whistleblower will be accorded with protection of confidentiality of identity. Any employee or external party who has knowledge or is aware that any improper conduct has been, is being, or is likely to be committed within the Group is encouraged to report through the reporting channels as prescribed in the policy. All cases will be dealt with in accordance with the policy and the investigation procedures.</p> | |
| Explanation for departure | : | | |
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| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. | | | |
| Measure | : | | |
| Timeframe | : | | |
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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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | The Company as guided by the Board, capitalises on sustainability-related opportunities presented which include unlocking new business streams. | |
| | | The Board ensures that the Company’s sustainability covers the aspects concerning changes in business operations in response to the changing sustainability trends and operating environment, as well as strategy implementation and measurement of sustainability impact created. | |
| | | The Company incorporates sustainability considerations into business strategy by ensuring sustainable business practices are implemented, employees are engaged and environmental consciousness is practiced at all times. | |
| Explanation for departure | : | | |
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| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. | | | |
| Measure | : | | |
| Timeframe | : | | |
| | | | |

Intended Outcome

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

Practice 4.2

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.

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| Application | : | Departure | |
| Explanation on application of the practice | : | | |
| Explanation for departure | : | The Board is aware of the shortfall in the Company's sustainability reporting and therefore, has put necessary action plans into considerations. | |
| | | Please provide an alternative practice and explain how the alternative practice meets the intended outcome. | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | The Board shall undertake incremental steps to further develop the Company's sustainability reporting regime for the benefit of all stakeholders. | |
| Timeframe | : | Others | |

Intended Outcome

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

Practice 4.3

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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | Directors are not expected to be sustainability-focused experts but adequate sustainability knowledge is crucial to address material sustainability risks and provide guidance on sustainability-related matters. The Board members keep themselves equipped with relevant knowledge by way of formal training including webinars, presentation of updates, structured reading and discussions. | |
| Explanation for departure | : | | |
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| <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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | The Board and the Senior Management have performed their respective roles in addressing material sustainability risks and opportunities. The performance evaluation of the Board and the Senior Management in addressing the Company's material sustainability were evaluated through the annual Board's and the Senior Management's Effectiveness Evaluation. | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 4.5- Step Up

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

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

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| 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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Nomination Committee is responsible to carry out the annual assessment of the effectiveness of the Board as a whole as well as the committees of the Board. The annual assessment comprises of Board Assessment by Individual Directors in relation to their performance and contribution towards meeting the needs of the Company. The assessments include Self and Peer Assessment and an assessment of independence for an Independent Director. All assessments and evaluations carried out by the Committee in the discharge of all its functions has been properly documented.</p> <p>In respect of the assessment for the financial year ended 31 December 2023 the Board was satisfied with the results that the Board and Board Committees have discharged their duties and responsibilities effectively and the contribution and performance of each individual Director are in satisfactory. The Board was also satisfied that the Board composition in terms of size, the balance between Executive, Non-Executive and Independent Directors and mix of skills was adequate.</p> |
| Explanation for departure | : | |
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| <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.

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| Application | : | Departure |
| Explanation on application of the practice | : | |
| Explanation for departure | : | 3 out of 7 directors or 42.86% of the Board are independent. The current Board composition is not in line with the MCCG recommendation to have at least half of the Board comprised of Independent Non-Executive Directors. However, the Board is in compliance with Paragraph 15.02 of the Main Market Listing Requirements of Bursa Malaysia which requires at least two (2) Directors or one-third (1/3) of the Board members, whichever is the higher, are independent directors. |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | The Board noted the recommendation of the MCCG that at least half of the Board members are independent. The Nomination Committee will continue to identify suitable candidates with the required skill, expertise and relevant level of independence for appointment to the Board as Independent Directors to further strengthen the Board. |
| Timeframe | : | Choose an item. |

Intended Outcome

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

Practice 5.3

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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | Presently, the tenure of all the Independent Non-Executive Directors does not exceed a cumulative term of nine (9) years as recommended by the Code. | |
| Explanation for departure | : | | |
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| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 5.4 - Step Up

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

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| <i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i> | |
| Application | : Adopted |
| Explanation on adoption of the practice | : Board Charter had been revised to limit the tenure of an Independent Director to a cumulative term of nine (9) years. The Board will continue to review the tenure of each Independent Director to ensure that no Independent Director is allowed to retain his/her position for a cumulative term of more than nine (9) years. |

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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The Nomination Committee (“NC”) is responsible for identifying and recommending suitable candidates for Board membership through a transparent and rigorous process. The Committee does have the liberty to rely on external opinion and service for such recommendation. The Board will have the ultimate responsibility and final decision on such appointment. The assessment and selection of the candidate is based on objective criteria, merit and with due regard for diversity in skills, experience, age and cultural background.</p> <p>The role of NC is detailed in its Terms of Reference, which is available on the Company’s website at www.astralasia.com.</p> | |
| Explanation for departure | : | | |
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| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 5.6

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

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

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| Application | : | Applied | |
| Explanation on application of the practice | : | <p>Selection of candidates for appointment of new Directors may be recommended by Directors, Management and shareholders. The Board is also open and may seek external independent sources to identify suitably qualified candidates. The Nomination Committee propose new nominees for appointment to the Board. In making the recommendations, the NC shall consider the candidates skills, knowledge, expertise and experience.</p> <p>Besides that, there is Directors' Fit and Proper Policy to be referred to. The Policy sets out the approach, guidelines and procedures to ensure a formal, rigorous and transparent process is being adhered for the appointment, re-appointment and/or re-election of the Directors of the Group and it is available on the Company's website at https://astralasia.com/directors-fit-proper-policy/.</p> <p>During the financial year 2023, Ms Lee Siew Chen was appointed to the Board on 7 April 2023.</p> | |
| Explanation for departure | : | | |
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| <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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board ensure that Shareholders can refer the information on the appointment and reappointment of a director at the Notice of Annual General Meeting under the Explanatory Notes. The Board provided a statement to support on the appointment or reappointment of the candidates or directors and also the reasons.</p> <p>The profiles of the reappointment Directors are presented in the Profiles of Directors section in the Company's Annual Report 2023 whilst the interest in shares are disclosed in the Analysis of Shareholdings in the said Annual Report. There is no individual seeking appointment as director of the Company at the AGM.</p> |
| Explanation for departure | : | |
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| <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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | The Nomination Committee is chaired by Tuan Haji Khalit Bin Kasmoin, who is an Independent Non-Executive Director of the Company. | |
| Explanation for departure | : | | |
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| <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.

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| Application | : | Departure | |
| Explanation on application of the practice | : | | |
| Explanation for departure | : | <p>During the financial year ended 2023, there was one woman director on the Board out of a total of seven directors. The Board acknowledges the importance of gender diversity in the Board. However, the selection and appointment of a new Board member will be based on merits and effective blend of skills, experience and knowledge in areas identified, the size of the Board and the needs of the Company.</p> | |
| | | <p>The Board will endeavour to have the target of at least 30% women directors representation on the Board based on merits and effective blend of required skills, experience and knowledge in areas identified, the size of the Board and the needs of the Company.</p> | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | | |
| Measure | : | Please explain the measure(s) the company has taken or intend to take to adopt the practice. | |
| Timeframe | : | Others | |

Intended Outcome

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

Practice 5.10

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

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| Application | : | Applied | |
| Explanation on application of the practice | : | <p>In the Company’s Board Charter, the Board encourages diversity and there is no discrimination on any basis, including but not limited to, race, age, ethnicity and gender. The Board is of the opinion that the evaluation of suitability of candidates should be based on their performance and merit, in the context of skills, time commitment and experience to bring value and expertise to the Board.</p> <p>The Company’s Board Charter on gender diversity policy is to have at least one female Director. The Company has since 7 April 2023 appointed Ms Lee Siew Chen as Independent Non-Executive Director.</p> | |
| Explanation for departure | : | | |
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| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

Stakeholders are able to 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.

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| <i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i> | | |
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board through the Nomination Committee and facilitated by the Company Secretaries, annually assesses the effectiveness of the Board as a whole, Board Committees and the contribution of each individual Director.</p> <p>The annual assessment comprises of Board Assessment by Individual Directors in relation to their performance and contribution towards meeting the needs of the Company. The assessments include Self and Peer Assessment and an assessment of independence for an Independent Director.</p> <p>In respect of the assessment for the financial year ended 31 December 2023, the Board was satisfied with the results that the Board and Board Committees have discharged their duties and responsibilities effectively and the contribution and performance of each individual Director are in satisfactory. The Board was also satisfied that the Board composition in terms of size, the balance between Executive, Non-Executive and Independent Directors and mix of skills was adequate.</p> |
| Explanation for departure | : | |
| | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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

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

Practice 7.1

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

| | | |
|--|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board has in place in a Remuneration Policy to support and drive business strategy and long term objectives of the Company. The Remuneration Committee is responsible for reviewing and recommending to the Board the compensation payable to the Directors and the Senior Management in connection with their individual contributions to the Company's overall performance or any loss or termination of their office or appointment, and the compensation arrangements relating to their dismissal or removal for misconduct.</p> <p>Executive Directors play no part in decisions on their own remuneration. The remuneration packages of Non-Executive Directors are determined by the Board as a whole. All the individual Directors concerned abstain from discussing their own remuneration.</p> |
| Explanation for departure | : | |
| | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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

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

Practice 7.2

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

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

| | | | |
|--|---|--|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | The roles and responsibilities of the Remuneration Committee are provided in the Terms of Reference and available in the Company’s website at www.astralasia.com . | |
| 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 | : | <p>The level of Directors' fee shall reflect the experience and responsibilities undertaken by the particular Non-Executive Director. The breakdown of the remuneration of the Directors in the Group and Company during the financial year is set out in the Annual Report 2023.</p> <p>The details of the Directors' remuneration of each Director during the financial year 2023 are disclosed in the Company's Annual Report 2023 .</p> |

| No | Name | Directorate | Company ('000) | | | | | | | Group ('000) | | | | | | |
|----|--|--|-----------------|-----------------|-----------------|-----------------|------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|-----------------|
| | | | Fee | Allowance | Salary | Bonus | Benefits-in-kind | Other emoluments | Total | Fee | Allowance | Salary | Bonus | Benefits-in-kind | Other emoluments | Total |
| 1 | Dato' Haji Arpan Shah Bin Satu | Independent Director | 24 | - | - | - | - | - | 24 | 24 | - | - | - | - | - | 24 |
| 2 | Dato' Lim Kang Poh | Executive Director | 30 | - | - | - | - | - | 30 | 30 | - | 1,240.2 | - | - | - | 1,270.2 |
| 3 | Mr Lim Guan Shiun | Executive Director | 30 | - | - | - | - | - | 30 | 30 | - | 623.5 | - | - | - | 653.5 |
| 4 | Tan Sri Dato' Lim Kang Yew | Executive Director | 30 | - | - | - | - | - | 30 | 30 | - | - | - | - | - | 30 |
| 5 | Dato' Suhaimi Bin Mohd Yunus | Non-Executive Non-Independent Director | 24 | - | - | - | - | - | 24 | 24 | - | - | - | - | 30 | 54 |
| 6 | Tuan Haji Khalit Bin Kasmoin | Independent Director | 24 | - | - | - | - | - | 24 | 24 | - | - | - | - | - | 24 |
| 7 | Ms Lee Siew Chen (Appointed on 7 April 2023) | Independent Director | 18 | - | - | - | - | - | 18 | 18 | - | - | - | - | - | 18 |
| 8 | Mr Tan En Chong (Resigned on 7 April 2023) | Independent Director | 8 | - | - | - | - | - | 8 | 8 | - | - | - | - | - | 8 |
| 9 | Input info here | Independent Director | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |

Intended Outcome

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

Practice 8.2

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

| | | | |
|---|---|---|---------------------------------|
| Application | : | Departure | |
| Explanation on application of the practice | : | | |
| Explanation for departure | : | Due to confidentiality of the remuneration package of Senior Management, it would be in the best interest of the Company not to disclose their remunerations on named basis. However, the Senior Management’s remunerations are included in the total employee benefits expense as disclosed in the Company’s Annual Report 2023. | |
| | | The Board wishes to give assurance that the remuneration of Senior Management commensurate with their individual performance, taking into consideration of Company’s performance. The remuneration packages of Senior Management are based on experience, expertise, and skills. The Board opines that the current remuneration package are competitive to attract, retain and motivate its Senior Management to lead and operate the Company successfully. | |
| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. | | | |
| Measure | : | The Board will continue to observe and monitor the market practice in respect of the required disclosure for future consideration. | |
| Timeframe | : | Others | Please specify number of years. |

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

Intended Outcome

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

Practice 8.3 - Step Up

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

| | | |
|--|---|-------------|
| Application | : | Not Adopted |
| Explanation on adoption of the practice | : | |

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

| | | | |
|--|---|--|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | The Chairman of the Company's Audit Committee is not the Chairman of the Board as the Board acknowledges that the Audit Committee should function as an independent and objective body to ensure the integrity of financial reporting process and accounting records of the Group. | |
| Explanation for departure | : | | |
| | | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

| | | | |
|--|---|--|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The Audit Committee has a policy requiring a former engagement audit partner to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.</p> <p>None of the AC members were former audit partner of the Company's external auditors, for the financial period under review.</p> <p>Please provide an explanation on how the practice is being applied.</p> | |
| Explanation for departure | : | | |
| | | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

| | | |
|---|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Group has a policy to assess the suitability, objectivity and independence of the external auditors. The Audit Committee ("AC") reviewed and evaluated the suitability, performance and independence of the external auditors with feedback obtained from the AC members, Management, and senior Finance personnel engaged with the audit. Self-assessment by the external auditors, Grant Thornton Malaysia PLT ("Grant Thornton") was also carried out for this purpose.</p> <p>In the evaluation, the AC also takes into account the relevant professional and regulatory requirements, the effectiveness of the audit process and the relationship with the external auditors as a whole, including the provision of any non-audit services.</p> <p>As part of the annual audit exercise, the Company had obtained written assurance from Grant Thornton confirming that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. Grant Thornton has complied with the requirement of the Malaysian Institute of Accountants and the firm's Guidelines in rotating audit partners every seven years. A former engagement audit partner will not be eligible for Board appointment until he or she has observed a cooling-off period of at least three years in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.</p> <p>The AC concluded that it continued to be satisfied with the performance of Grant Thornton and that throughout the year the objectivity and independence of Grant Thornton.</p> <p>The Board on the recommendation of the AC, is satisfied that Grant Thornton remains effective, objective and independent in carrying out its role as external auditors of the Company. The Board has approved the AC's recommendation for the re-appointment of Grant Thornton for the ensuing year to be tabled at the Twenty-Eight Annual General Meeting of the Company for shareholders' approval.</p> |

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

| | | |
|--|---|--|
| Application | : | Adopted |
| Explanation on adoption of the practice | : | All 3 members of the Audit Committee of the Company are Independent Non-Executive Directors. |

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

| | | | |
|--|---|--|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The Audit Committee members possess a wide range of skills to discharge their duties and their profiles are set out in the Annual Report. One of the Audit Committee Member, namely Ms Lee Siew Chen is member of the Malaysian Institute of Accountants.</p> <p>The Board recognises the importance of continue training for its members. The Directors are encouraged to attend various training programmes and seminars. The details of the programme attended by the Directors during the financial year ended 31 December 2023 are disclosed in the Corporate Governance Overview Statement.</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 acknowledges its overall responsibility for the Group's system of risk management and internal control to safeguard shareholders' investment and the Group's assets as well as reviewing its adequacy and operating effectiveness in meeting the Group's objectives.</p> <p>The Board has established a risk management process to identify, evaluate, control, report and monitor significant risks faced by the Group. Also, the Group has an established organizational structure with clearly defined lines of responsibilities and appropriate levels of delegation and authority to ensure the internal control system is observed. The Board has delegated its role in the review process to the Risk Management Committee. However, the Board as a whole remains responsible for all the actions of the committee with regard to the execution of the delegated role and this includes the outcome of the review and disclosure on key risks and internal control.</p> <p>The Statement on Risk Management and Internal Control which has been reviewed by the External Auditor and are set out in the Annual Report 2023 detailing the risk management and internal control framework of the Group.</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 | : | <p>The Board recognises the importance of sound system of risk management and internal control to safeguard shareholders' investment and the Group's asset. The Board to assist the Audit Committee ("AC") to manage and mitigate the relevant and material risks in which the Group operates.</p> <p>The AC acknowledges its primary responsibility to ensure that risks in the Group are identified, measured and managed with appropriate system of risk management and internal controls, and to ensure that the effectiveness, adequacy and integrity of the risk management and internal control systems are reviewed on an on-going basis.</p> <p>The review covers, inter alia, financial, operational and compliance system controls and risk management procedures of the Group. However, such procedures are designed to manage rather than to eliminate risks that may impede the achievement of the Group's business objectives. Accordingly, a sound system of risk management and internal control can only provide reasonable, and not absolute, assurance against material errors, misstatement, losses or fraud.</p> <p>Further details are set out in the Statement of Risk management and Internal Controls in the 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 10.3 - Step Up

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

| | | |
|--|---|-------------|
| Application | : | Not Adopted |
| Explanation on adoption of the practice | : | |

Intended Outcome

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

Practice 11.1

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

| | | | |
|--|---|---|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | The internal audit function of the Group is presently outsourced to a firm of Chartered Accountants to provide the Board and the Audit Committee with assurance on the adequacy and effectiveness of the system of internal control of the Group. The internal auditors focus their review on significant and high risk areas of the Group's businesses. The internal audit function reports directly to the Audit 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

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 | : | The Audit Committee has appointed LLTC Consulting (KL) Sdn Bhd to provide internal audit services on an outsource basis. LLTC Consulting (KL) Sdn Bhd which is headed by Mr Ho Yong Ling is free from any relationships or conflict of interests which could impair its objectivity and independence. | |
| 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 | : | The Company maintains its homepage that allows all shareholders and investors access to information about the Group at www.astralasia.com . Information is also disseminated via the Company’s annual reports and announcements made from time to time which can be obtained from Bursa Malaysia website. | |
| Explanation for departure | : | | |
| | | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

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

Practice 12.2

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

| | | | |
|--|---|---|--|
| Application | : | Not applicable – Not a Large Company | |
| Explanation on application of the practice | : | | |
| Explanation for departure | : | | |
| | | 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 | : | | |
| Timeframe | : | Others | |

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>On 27 April 2023, notifications were sent to all shareholders by way of letter to inform them that the Notice of the 27th Annual General Meeting (“AGM”) and other relevant documents were published on the Company’s website. The Notice period convening the AGM was more than 28 days prior to the AGM on 20 June 2023 in accordance with the Malaysian Code on Corporate Governance. It also meets the criteria of the Listing Requirements and Companies Act 2016, which require the Notice of AGM to be sent 21 days prior to the AGM.</p> <p>The forthcoming 28th AGM of the Company will be convened and held on 30 May 2024. Notifications will be sent to all shareholders on 30 April 2024 either by way of letter or email to inform them that the Annual Report 2023, Circular to Shareholders, Corporate Governance Report, Notice of the 28th AGM, Statement accompanying Notice of AGM and Proxy Form, are published on the Company’s website.</p> | |
| Explanation for departure | : | | |
| | | | |
| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 13.2

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 | : | Departure | |
| Explanation on application of the practice | : | | |
| Explanation for departure | : | <p>At each Annual General Meeting, the Board presents the progress and performance of the Group's business and encourages participation of shareholders during questions and answers sessions.</p> <p>The Board Chairman and the Chairpersons of Board Committees will respond to all questions raised by the shareholders during the Annual General Meeting.</p> <p>Majority of the Board members had attended the last Annual General Meeting. The Board will ensure its full attendance in the next Annual General Meeting.</p> | |
| | | Please provide an alternative practice and explain how the alternative practice meets the intended outcome. | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | The absenteeism should only be excused with valid reasons. | |
| Timeframe | : | Choose an item. | |

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 | : | Departure | |
| Explanation on application of the practice | : | | |
| Explanation for departure | : | The Board will explore and review the availability, feasibility, cost and benefit of the technology before implementing this practice. | |
| | | 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

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

Practice 13.4

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

| | | |
|--|---|---|
| <i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i> | | |
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board recognises the importance of being transparent and accountable to the Company’s shareholders and, as such, has availed various channels to maintain communication with them. The various channels are through the quarterly announcements on financial results to Bursa Malaysia, relevant announcements and circulars, annual report, media release, general meeting and Company’s website.</p> <p>The general meeting is also an important platform for the shareholders to interact with the Board and Senior Management to seek clarifications on any issues and to gain better understanding of the Group’s business affairs and performance, thereby enabling the shareholders to make informed decisions in valuing the Company’s shares. At such meetings, the Board provides opportunity for the shareholders to raise questions pertaining to the Company’s activities. Members of the Board, Senior Management and the external auditors are also present to answer questions raised during the meetings.</p> |
| Explanation for departure | : | |
| | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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 | : | Departure |
| Explanation on application of the practice | : | |
| Explanation for departure | : | <p>The 27th Annual General Meeting ("27th AGM") of the Company held on 20 June 2023 was conducted via the mode of fully physical. The Board encourages participation of shareholders during questions and answers sessions. The Chairman was prepared to answer question(s) raised by the shareholder(s) and to provide his responses to the respective question(s) accordingly in an orderly manner.</p> <p>Please provide an explanation for the departure.</p> <p>Please provide an alternative practice and explain how the alternative practice meets the intended outcome.</p> |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | The Board will explore and review the availability, feasibility, cost and benefit of the technology before implementing this practice. |
| Timeframe | : | Choose an item. |

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 | : | Departure |
| Explanation on application of the practice | : | |
| Explanation for departure | : | <div>The Company's practice is to table the minutes of the AGM at the Board meeting for confirmation and signing by the Chairman. The minutes were tabled at the scheduled board meeting before it was published on the Company's website.</div> <div>Please provide an alternative practice and explain how the alternative practice meets the intended outcome.</div> |
| <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 | : | <div>Choose an item.</div> <div></div> |

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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