

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 5066  
**COMPANY NAME** : NTPM Holdings Berhad  
**FINANCIAL YEAR** : April 30, 2022

## OUTLINE:

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

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

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

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

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

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

### **Intended Outcome**

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

### **Practice 1.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The primary responsibility of the Board is to provide effective leadership to ensure that it promotes the long-term sustainable success of the Group, generating value for our shareholders and other stakeholders, and contributing to society. The Board, supported by its committees, provides leadership within a framework of prudent and effective controls.</p> <p>An effective Board is one that is made up of a combination of Executive Directors with intimate knowledge of the business and Non-Executive Directors from diversified industry/business backgrounds to bring broad business and commercial experiences to the Group.</p> <p>The Board relies on the reports provided by the Chief Executive Officer of the Group ("Group's CEO"), Mr. Lee Chong Choon who oversees the entire business and operations of the Group in setting the Group's strategic aims. At each Board meeting, the Group's CEO brief the Directors on the current operations, issues faced and plans of the Group for the Board to be kept abreast on the conduct, business activities and development of the Group. The Board discusses and advises the Management in its formulation of the Group's business strategies, both short-term and long-term. Discussions would include the deployment of resources efficiently and effectively in achieving the objectives to be met. In making its decisions, the Board would be guided by the Group's values and standards.</p> <p>The Board has the overall responsibility for corporate governance, establishing goals, strategies and direction, financial plans and annual budget, investment proposals, reviewing the Group's performance and critical business issues and ultimately the enhancement of long-term shareholders' value. It monitors and delegates the implementation of the strategic direction to the Management.</p>

The Board plays an active role in the development of the Company's strategy. It has in place an annual strategy planning process whereby the Management presents to the Board its recommended strategy and proposed business plans for the following year at the Board's meeting. The Board reviews and deliberates upon both the Management's and its own perspectives, as well as challenges Management's views and assumptions to deliver the best outcomes. In furtherance of this, the Board then reviews and approves the annual budget for the ensuing year. On 22 July 2021, upon due deliberations, the Board approved the budget and the capital expenditure for the financial year ended 30 April 2022 ("FY2022") as tabled by the Management and presented by the Group's CEO.

During each quarterly meeting, the Board discusses with the Management on the status of the implementation of its strategic and business plan for the Group. The Board also receives updates from the Management on the operations and the industry that the Group operates in and the challenges faced by the Group.

The Board is satisfied with the strategic plan of the Company as presented by the Executive Directors and the Management. The Board continues to review the strategic plan to ensure its implementation.

The Board has a formal schedule of matters reserved for its decision making which include, amongst others, the following: -

- Reviews and adopts a strategic and business plan for the Company.
- Oversees the conduct of the Company's business and evaluates whether the business is being properly managed.
- Identifies principal risks and ensures the implementation of appropriate systems to manage these risks in order to achieve a proper balance between risks incurred and potential returns to shareholders.
- Reviews the adequacy and the integrity of the Company's internal control systems including systems for compliance with the applicable laws, regulations, rules, directive and guidelines. The Board must ensure that there is a satisfactory reporting framework on internal financial controls and regulatory compliance.
- Examines its own size and composition to determine the impact on the Board's effectiveness. The Board shall ensure that it has enough Directors to discharge its responsibilities and perform its functions.
- Receives and seeks relevant information for the assessment of the performance of the Company.
- Ensures that the Company's financial statements are true and fair, and comply with all applicable laws and governmental regulations applicable to the Company's business and its conduct.
- Ensures that senior management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of board and senior management.

	<ul style="list-style-type: none"> <li>Reviews, challenges and decides on the Management’s proposals for the Company, and monitor its implementation by the Management.</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

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

### Practice 1.2

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board has elected a Chairman from amongst the members of the Board. The roles and responsibilities under the ambit of the Chairman and Managing Director of the Company are currently assumed by Mr. Lee See Jin.</p> <p>The Chairman undertakes a leadership role in the conduct of the Board and its relationships with shareholders and other stakeholders. The Chairman is primarily responsible for leading the Board in effectively discharging its fiduciary duties and responsibilities and ensuring the adequacy and integrity of the governance process.</p> <p>The responsibilities of the Chairman are clearly defined in the Board Charter. They include, but are not limited to, the following: -</p> <ul style="list-style-type: none"><li>a) leading the Board in setting the values and standards of the Company so that the Board can perform its responsibilities effectively;</li><li>b) maintaining a relationship of trust with and between the Executive and Non-Executive Directors;</li><li>c) ensuring the provision of accurate, timely and clear information to Directors;</li><li>d) ensuring effective communication with shareholders and relevant stakeholders and that their views are communicated to the Board as a whole;</li><li>e) arranging regular evaluation of the performance of the Board, its Committees and individual Directors;</li><li>f) facilitating the effective contribution of Non-Executive Directors and ensuring constructive relations be maintained between Executive and Non-Executive Directors;</li><li>g) facilitating the ongoing development of all Directors;</li><li>h) leading Board meetings and discussions;</li><li>i) encouraging active participation and allowing dissenting views to be freely expressed; and</li><li>j) leading the Board in establishing and monitoring good corporate governance practices in the company.</li></ul> <p>The Chairman of the Board also acts as the Chairman at all Board meetings and meetings of members.</p>

	<p>The Board is mindful of the dual roles of Chairman and Managing Director held by Mr. Lee See Jin and is of the view that there are experienced and independent-minded Directors on the Board to provide an effective check and balance so that no one individual has unfettered powers of decision making.</p> <p>Having joined the Board since 1996, Mr. Lee See Jin has considerable experience in the Group's businesses and provides leadership for the Board in considering and setting the overall strategies and objectives of the Company. The Board is of the view that it is in the interest of the Company to maintain the above arrangement so that the Board can have the benefit of a chairman who is knowledgeable about the businesses of the Group and the territories globally in which the Group operates, who is able to set the overall strategies, conceptualise plans and lead the execution of all major projects and investments, and who is capable of guiding discussions at Board meetings and briefing the Board in a timely manner on key issues and developments directly or indirectly affecting the businesses of the Group.</p> <p>The Board is vigilant of the dual roles of the Chairman and Managing Director being performed by the same individual and will ensure that such arrangement will continue to be in the interests of the Company and its shareholders as a whole.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

**Intended Outcome**

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

**Practice 1.3**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairman is responsible in leading the Board in its collective oversight of Management and ensuring effectiveness of the Board matters whilst the Executive Director/Group’s CEO is responsible for executing the policies and strategies as approved by the Board for the purposes of running the business and the day-to-day management of the Company.</p> <p>The positions of the Chairman and the Group’s CEO are held by different individuals and both of them are Executive Directors of the Group.</p> <p>In addition, Mr. Lim Han Nge has been identified by the Board as the Senior Independent Non-Executive Director to act as:</p> <ul style="list-style-type: none"> <li>• a sounding board for the Chairman;</li> <li>• an intermediary for other Directors when necessary; and</li> <li>• the point of contact for shareholders and other stakeholders.</li> </ul>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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, Mr. Lee See Jin is not a member of Audit Committee, Nominating Committee or Remuneration Committee but he is a member of Investment Committee.</p> <p>The Company believes that Mr. Lee See Jin has intimate knowledge of the Group's business focusing on strategic matters in setting high governance standards. His experience and industry knowledge benefit the Company and shareholders, which outweigh any perceived disadvantage of being assuming position of Chairman of the Board and a member of Investment Committee.</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> :	NA
<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>	:	<p>The Board is supported by two (2) suitably qualified and experienced Company Secretaries in discharging its duties and responsibilities.</p> <p>The Company Secretaries advise the Board on corporate governance related matters and ensure the Board adheres to the relevant rules and regulatory requirements as well as Board policies and procedures.</p> <p>The Company Secretaries attend and ensure that all Board and Board Committee meetings are properly convened, and all deliberations and decisions are properly minuted and kept.</p> <p>The Board has ready and unrestricted access to the advice and services of the Company Secretaries, who are considered capable of carrying out the duties to which the post entails.</p> <p>In performing their duties, the Company Secretaries carry out, amongst others, the following tasks: -</p> <ul style="list-style-type: none"><li>• Undertaking statutory duties as required under the Companies Act 2016 ("Act"), Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") and Capital Market and Services Act, 2007;</li><li>• Facilitating and attending Board meetings and Board Committee meetings;</li><li>• Facilitating and attending General Meeting(s);</li><li>• Ensuring that Board meetings and Board Committee meetings are properly convened and the proceedings are properly recorded;</li><li>• Ensuring timely communication of the Board level decisions to the Management for further action;</li><li>• Ensuring that all appointments to the Board and/or Board Committees are properly made in accordance with the relevant regulations and/or legislations;</li><li>• Maintaining records for the purpose of meeting statutory obligations of applicable jurisdictions;</li><li>• Facilitating the provision of information as may be requested by the Directors from time to time in a timely manner and ensuring adherence to Board policies and procedures;</li></ul>

	<ul style="list-style-type: none"> <li>• Facilitating the conduct of assessments to be undertaken by the Board and/or Board Committees as well as compiling the results of the assessments for the Board and/or Board Committee;</li> <li>• Assisting the Company on the lodgements of documents with relevant statutory and regulatory bodies;</li> <li>• Assisting the Board with the preparation of announcements for release to Bursa Malaysia Securities Berhad (“Bursa Securities”) and Securities Commission Malaysia; and</li> <li>• Rendering advice and support to the Board and Management.</li> </ul> <p>The Company Secretaries had and will continue to constantly keep themselves abreast on matters concerning company laws, capital market, corporate governance and other pertinent issues, and with changes in the same regulatory environment, through continuous training and industry updates.</p> <p>The Board is satisfied with the performance and support rendered by the two (2) qualified and experienced Company Secretaries in discharging of its functions.</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 1.6

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 meets, at least quarterly, to consider all matters relating to the overall control, business performance and strategy of the Company. Additional meetings will be called when necessary. The relevant reports and Board meeting's papers are prepared in a concise and comprehensive manner and distributed to all Directors in a timely manner prior to the Board meetings to allow the Directors sufficient time to peruse, for effective discussion and decision making during the meetings.</p> <p>All deliberations and decisions made at the Board meetings are recorded by the Company Secretaries including whether any Director abstained from voting or deliberating on a particular matter. Minutes of the meeting are circulated to the Board and the Management for review and comments in a timely manner before the minutes of the last Board meeting are confirmed at the next Board meeting.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 2.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board had in 2013 formalised a Board Charter (“Charter”) to document the roles and responsibilities to ensure accountability of the Board and Management, and the Board is guided by the Charter which provides reference for Directors in relation to the Board’s roles, powers, duties and functions. The Charter also serves as a reference point for the Board’s activities where the Board has established clear functions reserved for the Board and those delegated to Board Committees.</p> <p>The Charter is reviewed on a regular basis so as to be in line with the latest statutory and regulatory requirements, as well as the Group’s operational and business direction. The Charter was last reviewed and approved by the Board on 24 July 2018.</p> <p>The Charter is available for viewing on the Company’s website at <a href="https://www.ntpm.com.my">https://www.ntpm.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 3.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has in place a Code of Conduct and Ethics for all Directors and employees of the Group. The Code of Conduct and Ethics includes amongst others the respect for the individual, create a culture of open and honest communication, set tone at the top, uphold the laws, avoid conflicts of interest, set metrics and report results accurately. In addition to the Directors' Code of Ethics as set out in the Company Directors' Code of Ethics established by the Companies Commission of Malaysia, the Group's Core Values also give emphasis on the behavioural ethics and conduct that set out the sound principles and standards of good practices within the Group's business landscape, which are expected to be observed by the Directors and employees. Both Directors and employees are required to uphold the highest integrity in discharging their duties and in their dealings with various stakeholders such as shareholders, customers, fellow employees and regulators.</p> <p>The Directors have a duty to declare immediately to the Board should they be interested in any transaction to be entered into directly or indirectly by the Company. An interested Director is required to abstain from deliberations and decisions of the Board on the transaction and not to exercise any influence over the Board in respect of the transaction. In the event a corporate proposal is required to be approved by shareholders, interested Directors are required to abstain from voting in respect of their shareholdings in the Company on the resolutions pertaining to the corporate proposal, and will further undertake to ensure that persons connected to them similarly abstain from voting on the resolutions.</p> <p>The Group has adopted its Anti-Bribery and Corruption Policy on 26 June 2020. The Anti-Bribery and Corruption Policy sets out the parameters to prevent the occurrence of bribery and corrupt practices in relation to the businesses of the Group. The Group is taking reasonable and appropriate measures to ensure that its businesses do not participate in corrupt activities through training and enhanced</p>

	<p>processes. This policy is supplemental to and shall be read in conjunction with the Company's Code of Ethics and Conduct and Ethics.</p> <p>The Code of Conduct and Ethics and Anti-Bribery and Corruption Policy are available for viewing on the Company's website at <a href="https://www.ntpm.com.my">https://www.ntpm.com.my</a>.</p>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

**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>	:	The Board has formalised and adopted the Whistleblowing Policy on 23 June 2016. The Whistleblowing Policy and Procedures serves as an essential part of the Group’s internal control system setting out a framework for all employees and stakeholders of the Group to report concern about any malpractice within the Group. It helps to nurture a standard of corporate behaviour in creating an ethical corporate climate within the Group and develop a culture of openness, transparency, accountability and integrity. The Whistleblowing Policy and Procedures is available for viewing on the Company’s website at <a href="https://www.ntpm.com.my">https://www.ntpm.com.my</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 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>	:	<p>The Board recognises the importance of sustainability development to businesses and is committed to ensure emphasis is given to environmental, social, economic and governance aspects as an integral part of its business operations.</p> <p>The Board is responsible for the development of the Group's sustainability strategies. The Sustainability Working Group which is headed by the Group CEO and supported by the members from the Company's Safety and Health Management Committee, Company's Environmental Choice New Zealand ("ECNZ") Committee, and key executives from the Group's business operation. The Sustainability Working Group has been entrusted to drive strategic management of material sustainability of the Group by identifying areas for improvement, recommends and implements sustainability initiatives approved by 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

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

### Practice 4.2

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Group conducts periodic engagement with both external and internal stakeholders to help better understand their perspectives and concerns on key issues and to integrate those perspectives and concerns into the Group's sustainability strategy.  Details of the Stakeholder Engagement are as set out in the Sustainability Statement as contained in the Annual Report 2022.  The Group ensures that its communication with the shareholders and various stakeholders are transparent and timely. The Board is committed to establishing and maintaining open, long-term, mutually beneficial relationships with all of its stakeholder groups.	
<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>	:	In order to ensure the Board are kept abreast with sustainability issues and have sufficient understanding in sustainability matters relevant to the Group and its businesses, Directors are expected to attend sustainability-related programmes including conferences, seminars and trainings. This is to enable the Board to stay abreast and understand the sustainability issues, including climate-related risks and opportunities.	
<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>During the Annual Board Evaluation for FY2022, the Nominating Committee had reviewed the Board's performance in areas inclusive of evaluating the Group's strategic and business plans that promote sustainability.</p> <p>At the Senior Management level, the key performance indicators for the sustainability material matters will be incorporated into the Management's performance assessment subject to the Board's approval.</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 Board through the Nominating Committee conducts an annual evaluation to appraise the effectiveness of the Board as a whole and the contribution of each Director and each Board Committee to the effectiveness of the Board.</p> <p>The Nominating Committee reviewed the tenure of each Director as well as the annual re-election of a Director after making an evaluation that the relevant Directors’ performance and contribution to the Board has been satisfactory.</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>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board currently comprises two (2) Executive Directors, three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The present composition complies with Paragraph 15.02 of the Listing Requirements where the Independent Directors make up more than one-third (1/3) of the Board and Practice 5.2 of the Malaysian Code on Corporate Governance 2021 (“MCCG”) as half of its members are Independent Directors.</p> <p>Such composition is able to provide an unbiased, independent and objective judgement to facilitate a balanced leadership in the Group as well as providing an effective check and balance to safeguard the interests of the minority shareholders and other stakeholders, and ensuring that high standards of conduct and integrity are maintained.</p> <p>The Board has re-examined its size and is of the view that the current Board size is appropriate and facilitates effective decision-making, taking into consideration the scope and nature of the Group’s operations.</p> <p>The Board is of the view that the existing Independent Directors provide an adequate level of independence in the Board’s composition and conduct, giving the assurance that there is a balance of power and authority in the Board. The Independent Non-Executive Directors of the Company provide guidance, unbiased, fully balanced and independent views, advice and judgment to many aspects of the Group’s strategy so as to safeguard the interests of minority shareholders and to ensure that the highest standards of conduct and integrity are maintained by the Group.</p> <p>The Independent/Non-Independent Non-Executive Directors are professionals of high calibre and credibility who play a pivotal role in corporate accountability by contributing their knowledge, advice and experience towards making independent judgment on issues of strategies, performance, resources and standards of conduct.</p> <p>Any material and important proposals that will significantly affect the policies, strategies, directions and assets of the Group will be subject to approval by the Board. All Independent/Non-Independent Non-Executive Directors do not participate in the day-to-day management of the Group.</p>

	The Board is satisfied that the Independent Directors represent the interest of public shareholders in the Company. Among them, Mr. Lim Han Nge is the Senior Independent Non-Executive Director and any concerns from the shareholders be conveyed to him.	
<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 5.3

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>	:	<p>Mr. Lim Han Nge ("Mr. Lim") and Mr. Chang Kong Foo ("Mr. Chang") who have both served on the Board for more than nine (9) years and obtained shareholders' approval to be retained as an Independent Director of the Company until the conclusion of the coming 26<sup>th</sup> AGM had decided not to seek for re-election (Mr. Lim) and to retire (Mr. Chang) during the 26<sup>th</sup> AGM. Hence, both Mr. Lim and Mr. Chang shall hold office as Independent Non-Executive Directors of the Company until the conclusion of the 26<sup>th</sup> AGM of the Company.</p> <p>The Nominating Committee has identified the suitable replacements and recommended to the Board to fill the vacancies arising from the retirement of Mr. Lim and Mr. Chang.</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 5.4 - 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>	:	<p>The appointment of the Board and Senior Management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.</p> <p>On 27 June 2022, the Company has adopted a “Directors’ Fit and Proper Policy” in ensuring that the appointment and re-election of the members of the Board were based on identified objective criteria, e.g. character, integrity, relevant range of skills, knowledge, experience, competence and time commitment so that they are able to discharge their roles and responsibilities effectively in the best interest of the Company. The said policy may be accessed at the Company’s website.</p> <p>The Nominating Committee has reviewed the nomination of Dato’ Dr. Juita binti Ghazalie and Ms. Chang Hui Yui as Independent Non-Executive Directors of the Company. The Nomination Committee has reviewed their profile, curriculum vitae, academic qualifications as well as considered their background, skills, experiences and competencies for appointment as an Independent Non-Executive Director of the Company.</p> <p>The Board after taking into consideration of Nominating Committee’s recommendation, reviewed and proposed the appointment of Dato’ Dr. Juita binti Ghazalie and Ms. Chang Hui Yui as Independent Non-Executive Director of the Company for shareholders’ approval during the forthcoming 26<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

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

### Practice 5.6

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is responsible for the appointment of new Directors. The Nominating Committee is delegated with the role of screening and conducting an initial selection, which includes an external search, before making a recommendation to the Board. The Nominating Committee has the authority to obtain the services of professional recruitment firms to source for candidates for directorship or seek independent professional advice whenever necessary.</p> <p>The Nominating Committee is empowered to bring to the Board, recommendations as to the appointment of any new director or to fill Board vacancies as and when they arise. In making its recommendation, the Nominating Committee will consider the required mix of skills, knowledge, education, qualities, expertise and experience, professionalism, integrity, time commitment, contribution and other factors including core competencies which the new Directors of the Company should bring to the Board.</p> <p>In addition, Part 4.2.2 of the Board Charter specifies that the Board should use a variety of approaches and sources to ensure that it is able to identify the most suitable candidates. This may include sourcing from a directors' registry, open advertisements or the use of independent search firms.</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

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

## Practice 5.7

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The performance of retiring Directors recommended for re-election at the 26<sup>th</sup> AGM have been assessed through the Board annual evaluation.</p> <p>The retiring Directors had abstained from voting on any resolution and making any recommendation and/or participating in respect of matters in which he has an interest</p> <p>A statement by the Board and Nominating Committee pertaining to their satisfaction of the performance and effectiveness of the retiring Directors who are offering themselves for re-election at the AGM has been set out in the explanatory notes accompanying the Notice of AGM.</p> <p>The profile for the aforementioned Directors, including their nature of interest with the Company (if any), are set out at the Directors' Profile section of the Annual Report.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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 Nominating Committee of the Company comprises exclusively Non-Executive Directors, a majority of whom are Independent Directors.</p> <p>The Nominating Committee is chaired by the Senior Independent Non-Executive Director, Mr. Lim Han Nge.</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 5.9

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>The Company does not practice any form of gender, ethnicity and age group biasness as all candidates for either the Board or senior management team shall be given fair and equal treatment.</p> <p>The Board believes that there is no detriment to the Company in not adopting a formal gender, ethnicity and age group diversity policy as the Company is committed to provide fair and equal opportunities and nurturing diversity within the Group.</p> <p>In identifying suitable candidates for appointment to the Board, the Nominating Committee will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.</p> <p>That notwithstanding, the Board is mindful of the recommendation for Board diversity and the Listing Requirements where at least 1 Director of a listed issuer is a woman. In view of that, the Nominating Committee shall ensure that women candidates are sought during recruitment exercise and would consider the requirement of gender diversity in its recommendation to the Board.</p> <p>Subject to the approval from the shareholders for the proposed appointment of Dato' Dr. Juita binti Ghazalie and Ms. Chang Hui Yuin, as an Independent and Non-Executive Director of the Company, the Board will comprise two (2) female Directors. With the two (2) out of six (6) Directors i.e., 33.33% on the Board are females, which will exceed the recommendation of Practice 5.9 of the MCCG to have at least 30% women Directors on Board.</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**

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>	:	As mentioned in Practice 5.9, the Board did not set specific targets on gender diversity for the Company but endeavours to improve the number of women directors on the Board, based on pre-determined skill sets and competencies.	
		For FY2022, five (5) out of ten (10) senior management officers of the Group are females, representing 50% .	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

### Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>The Nominating Committee conducted an annual assessment of its Directors and the effectiveness of the Board of Directors as a whole in terms of Board mix and composition, quality of information and decision making, boardroom activities and Board's relationship with Management and Board Committees for FY2022. The performance of the Board as a whole as well as Board Committees are assessed annually via an evaluation survey questionnaire known as Board Evaluation Questionnaire ("Questionnaire"), to evaluate the overall performance against the criteria as set out in the Questionnaire. The aim of the Questionnaire is to enhance the effectiveness and strength of the assessment and to identify areas that need to be improved.</p> <p>The findings of the Questionnaire which were presented to the Board by the Nominating Committee on 27 June 2022 confirmed that the Board have discharged their duties and responsibilities effectively for FY2022.</p> <p>In addition to the foregoing, the Nominating Committee also assesses the independence of each of the Independent Non-Executive Directors annually, taking into account the individual Director's ability to exercise independent judgment at all times and to contribute to the effective functioning of the Board. All findings by the Nominating Committee will be reported to the Board.</p> <p>The Nominating Committee conducted assessment of the Directors who are subject to retirement at the forthcoming 26<sup>th</sup> AGM in accordance with the provisions of the Constitution of the Company. After review, the Nominating Committee then proposed the re-election of the relevant Directors to the Board for their recommendation to shareholders' approval at the forthcoming 26<sup>th</sup> AGM.</p>

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

### Intended Outcome

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>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>In general, the remuneration is structured so as to link rewards to corporate and individual performance in the case of the Executive Directors and Senior Management. As for the Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken individually by the Director concerned.</p> <p>The Board does not have any formal remuneration policy. During FY2022, the Board has performed its duty to assess annually the remuneration package of its Executive Directors.</p> <p>All Directors are paid fixed annual fees which are determined by the Board as a whole and subject to the approval from the shareholders annually. In addition to the fixed annual fees, all Non-Executive Directors are paid meeting allowance for attending meetings. Under Section 230(1)(b) of the Act, this will constitute a form of benefits payable to the Directors and requires prior approval of the shareholders at the AGM.</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>	:		
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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 7.2

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>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Board currently has not set up the Remuneration Committee to review the remuneration of the Executive Directors. The Board views that the remuneration of the Executive Directors is a matter for the Board to deliberate upon as a whole based on market conditions, responsibilities held and the corporate and individual performance.	
<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 detailed disclosure on named basis for the remuneration of individual directors including the breakdown of individual directors on fees, salary, bonus, benefits in-kind and other emoluments for FY2022 are as disclosed below.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Lee See Jin	Executive Director	60	-	900	-	16.48	36	1,012.48	60	-	900	-	16.48	36	1,012.48
2	Lee Chong Choon	Executive Director	60	-	840	823.05	1.50	134.4	1,858.95	60	-	840	823.05	25.45	134.4	1,882.90
3	Lim Han Nge	Independent Director	70	2	-	-	-	-	72	70	2	-	-	-	-	72
4	Chang Kong Foo	Independent Director	70	2	-	-	-	-	72	70	2	-	-	-	-	72
5	Dr. Teoh Teik Toe	Non-Executive Non-Independent Director	60	2	-	-	-	-	62	60	2	-	-	-	-	62
6	Tan Choon Thye	Independent Director	60	2	-	-	-	-	62	60	2	-	-	-	-	62

### 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 believes it may not be in its best interests to disclose the information on the remuneration, on a named basis, of each member of the key senior management personnel, having considered the highly competitive human resource environment for personnel with the requisite knowledge, expertise and experience in the Group's business activities.	
		The remuneration of the key senior management personnel which is a combination of annual salary, bonus and benefits-in-kind are determined in a similar manner as other management employees of the Group. The basis of determination has been consistently applied and is based on individual performance, the overall performance of the Group and benchmarked against other companies operating in similar size and industry.	
<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 8.3 - 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>	:	

**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>	:	<p>The Company has complied with Practice 9.1 of the MCGG which stipulates that the Chairman of the Audit Committee is not the Chairman of the Board.</p> <p>The Audit Committee is chaired by an Independent Non-Executive Director, Mr. Chang Kong Foo, who is not the Chairman of 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**

There is an effective and independent Audit Committee.

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

**Practice 9.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Practice 9.2 of the MCCG that required a former partner of the external audit firm and/or the affiliate firm (including those providing advisory services, tax consulting, etc.) to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC has been adopted by the AC and incorporated in its TOR.</p> <p>None of the AC members were former key audit partners of the Company and the Group.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has adopted a Policy for the Assessment of the Suitability and Independence of External Auditors which defines the guidelines and procedures to be undertaken by the AC to assess the suitability, objectivity and independence of external auditors. This is also in accordance with the Terms of Reference of the Audit Committee to review the annual performance assessment, including the suitability, objectivity and independence of the external auditors.</p> <p>During FY2022, the AC has conducted an annual assessment of the suitability, objectivity and independence of the External Auditors, Messrs. Ernst &amp; Young PLT.</p> <p>The AC has conducted an annual review of non-audit services provided by the affiliated firm of the external auditors for FY2022, as disclosed on page 60 of the Annual Report. The AC is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors.</p> <p>The AC has assessed and is satisfied with the competence and independence of the external auditors and has recommended the re-appointment of the external auditors for shareholders' consideration at the forthcoming 26<sup>th</sup> AGM of the Company.</p> <p>The Board, on the recommendation of the AC, is of the view that the declaration of independence, integrity and objectivity made by the external auditors in their audit report for each financial year under review is sufficient to serve as a written assurance from the external auditors on their independence and integrity throughout the conduct of the audit engagement in accordance with the independence criteria as set out by MIA By-Laws, and has recommended their re-appointment as the external auditors of the Company for the ensuing year, upon which the shareholders' approval has been sought at the AGM.</p>

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

**Intended Outcome**

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> :	Not Adopted
<b>Explanation on adoption of the practice</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 9.5

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>	:	All AC members are financially literate and its composition and performance are reviewed by the Nominating Committee annually and recommended to the Board for its approval.  Two (2) of the AC members are members of the Malaysian Institute of Accountants ("MIA").  The AC members acknowledge the need to continuously develop and increase their knowledge in the area of accounting and auditing standards, given the changes and development in this area from time to time. All members of the AC have 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.
<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 adopted a risk management framework and ongoing process to assess the various types of risks, which might have an impact on the profitable operation of the Group's business. These include strategic risk, operational risk and project risk. The following outlines the Group's risk management policies: -</p> <ul style="list-style-type: none"><li>(a) to weigh business decisions against the philosophy that business risks would be necessarily incurred if the associated rewards are expected to enhance the Group's shareholder value;</li><li>(b) to ensure risks which may have a significant impact upon the Group are identified in a manner which would result in their expeditious treatment;</li><li>(c) to provide reasonable assurance to the Group's stakeholders that the probability of attaining Group's objectives would be enhanced by the establishment of an Enterprise Risk Management ("ERM") framework;</li><li>(d) to establish an environment or platform whereby risk management activities are effectively undertaken;</li><li>(e) to manage risks by adopting best practice methodologies for the identification, analysis, evaluation, reporting, treatment and monitoring of risks; and</li><li>(f) to provide an assurance regarding the extent of the Group's compliance with regulatory requirements and the policies and procedures in place.</li></ul> <p>The Company had appointed an external consultant to establish the ERM Framework in September 2003. The ERM Framework provides a systematic approach to identify, assess, monitor as well as manage risk across the Group. The Board through the Risk Management Committee ("RMC") obtains reports from the internal auditors on the periodic checks on the internal control systems and on-going review of its ERM Framework.</p>

	<p>In accordance with the Group’s ERM Framework, the RMC oversees the Group’s risk management process. The RMC consists of the Group’s CEO, two Independent Non-Executive Directors and co-ordinated by Internal Auditors.</p> <p>The Group’s ERM Framework is aligned with its long-term strategic objectives and is embedded in the daily operations of the individual companies within the Group. This ERM system is an ongoing and systematic process to identify, assess, respond and monitor risks. In accordance with the Group’s ERM Framework, the RMC oversees the Group’s risk management process.</p>	
<p><b>Explanation for departure</b></p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>	<p>:</p>	
<p><b>Timeframe</b></p>	<p>:</p>	

**Intended Outcome**

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 details of the Company’s internal control system and framework are set out in the Statement on Risk Management and Internal Control in the Annual Report 2022.	
<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>	:	<p>The Risk Management Committee ("RMC") comprises a majority of Independent Directors as follows: -</p> <p>Chairman: Mr. Lee Chong Choon (Executive Director/Group's CEO)</p> <p>Members: Mr. Lim Han Nge (Senior Independent Non-Executive Director) Mr. Chang Kong Foo (Independent Non-Executive Director)</p> <p>The RMC is responsible for reviewing and recommending the risk management policies and strategies for the Group. It assists the Board in fulfilling its corporate governance, risk management and statutory responsibility in order to manage the overall risk exposure of the Group to safeguard its shareholders' investment and the Company's assets.</p>

## 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>In order for the Company to maintain sound systems of internal controls, the Group has established an Internal Audit Department ("IAD"), whose internal audit function is independent of the Group's business activities, operating entities and divisions. Its principal activities include undertaking regular and systematic audit of the Group's operating entities and divisions, reviewing and testing the system of internal controls including ERM and governance processes so as to provide its independent and objective assurance that such systems are effective and are operating satisfactorily. The internal auditors adopt a risk-based approach towards the planning and conduct of audits, which are consistent with the Group's framework in designing, implementing and monitoring its internal control system.</p> <p>The IAD is guided by Internal Audit Charter which was approved by the AC. Audit engagement focuses on areas of priority according to their annual risk assessment and in accordance with the annual strategic audit plans approved by the AC.</p> <p>The key duties and responsibilities undertaken by IAD include: -</p> <ul style="list-style-type: none"><li>• review and appraise the soundness and adequacy of internal control;</li><li>• ascertain the extent of compliance with internal policies, procedures and standard;</li><li>• identify opportunities for process and internal control improvement;</li><li>• coordinate ERM activities;</li><li>• review compliance with applicable rules and regulations; and</li><li>• carry out special ad-hoc audit at AC and/or Management's request.</li></ul> <p>The Head of the IAD attends AC meetings and reports directly to the AC on the annual internal audit plan and internal audit reports on the audit conducted in accordance with the annual audit plan.</p> <p>During FY2022, the internal auditors presented its internal audit reports to AC and Management regarding any major audit finding on the weaknesses in the system and controls of the operation. Areas for improvement were highlighted, and the implementation of recommendations was monitored. None of the internal control</p>

	weaknesses has resulted in any material losses, contingencies or uncertainties that would require disclosure in the Annual Report.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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>As of 30 April 2022, the IAD consists of three (3) audit personnel and is headed by Mr. P'ng Ching Chong.</p> <p>Mr. P'ng Ching Chong holds a Bachelor of Commerce degree with Double Major in Finance and Accounting from Deakin University in Australia and is a member of the Institute of Internal Auditors Malaysia.</p> <p>During FY2022, the AC had assessed and reviewed the adequacy of the scope, functions, resources, competency and independence of the IAD. The AC is satisfied that the IAD has sufficient resources, staffed by suitably qualified and experienced personnel and has to the best of its ability, maintained its independence in carrying out the IA function.</p> <p>None of the internal audit personnel had any relationship or conflict of interest that could impair their objectivity and independence in conducting their internal audit functions. The IAD provides the AC with reasonable assurance on the adequacy and integrity of the Group's internal control systems.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 12.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company recognises that strengthening the relationship between the Company and its shareholders is an important aspect of upholding the principles and best practices of corporate governance. The Company aims to strengthen the mutual relationships with its shareholders and investors to maintain a high level of shareholder and investor confidence and to ensure a stable and longer-term value creation.</p> <p>The Company's website incorporates an "Investor Relations" section where the industry's outlook and the Group's performance would be captured for the investors' notation. Under the corporate webpage, announcements released by the Company to Bursa Securities are published under the "Announcement" section. The public can also access the corporate information, financial information, Annual Reports, Share Buy-Back Statement, corporate governance matters and other corporate policies. These investors are provided with sufficient business, operations, and financial information on the Group to enable them to make informed investment decisions.</p> <p>Investor relations activities such as meetings with fund managers and analysts are held at appropriate time to explain the Group's strategy, performance, and major developments.</p> <p>In maintaining the commitment to effective communication with shareholders, the Group adopts the practice of comprehensive, timely and continuing disclosures of information to its shareholders as well as to the general investing public. The practice of disclosure of information is not just established to comply with the requirements of the Listing Requirements but also in line with the MCGG to strengthen engagement and communication with shareholders. Where possible and applicable, the Group also provides additional disclosures of information on a voluntary basis. The Group believes that consistently maintaining a high level of disclosure and extensive communication with its shareholders is vital for its shareholders and investors to make informed investment 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**

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

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

**Practice 12.2**

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

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

## Intended Outcome

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

### Practice 13.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>General meeting serves as the principal platform for the Board and senior management to engage with shareholders and encourage effective shareholders' communication on the Company's performance, corporate and business developments and any other matters affecting shareholder interests.</p> <p>In line with good corporate governance practice, the notice of the 25<sup>th</sup> AGM was issued to shareholders on 26 August 2021, more than 28 days prior to the said AGM held on 24 September 2021, to provide the shareholders with sufficient time to consider the resolutions that will be discussed and decided at the 25<sup>th</sup> AGM.</p> <p>The notice of AGM was also published in the nationally circulated daily newspaper within the mandatory period and the Company's announcements via Bursa Securities as well as the Company's website.</p> <p>The notice of AGM provides further explanation beyond the minimum content stipulated in the Listing Requirements for the resolutions proposed along with any background information and reports or recommendation, where required and necessary, to enable shareholders to make an informed decision in exercising their voting rights.</p> <p>In view of the COVID-19 transmission risk, the 25<sup>th</sup> AGM of the Company held in the year 2021 was convened and held via electronic means i.e. live audio-visual webcast pursuant to the Guidelines issued by the Securities Commission Malaysia on the conduct of a general meeting. Alternative arrangements relating to attendance at the AGM via electronic means, addressing of substantial and relevant questions prior to or at the AGM and voting by appointing the Chairman of the meeting as proxy at the AGM were set out in the notice of AGM.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

**Intended Outcome**

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>At the 25<sup>th</sup> AGM of the Company, all the Directors, Company Secretary and External Auditors had attended the fully virtual 25<sup>th</sup> AGM through video conferencing to engage directly with the shareholders.</p> <p>The Chairman ensured that sufficient opportunities were given to shareholders to raise issues relating to the affairs of the Company by providing ample time for the Question and Answer session during the 25<sup>th</sup> AGM. The Directors had actively responded to relevant questions addressed to them. The representatives from external auditors were also present to respond to queries raised by shareholders.</p> <p>In addition, written queries raised by the Minority Shareholders Watch Group were presented to shareholders during the 25<sup>th</sup> AGM together with the Company's responses.</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 leveraged on technology to facilitate remote shareholders’ participation and electronic voting for the conduct of poll on all resolutions for the virtual 25<sup>th</sup> AGM.</p> <p>The 25<sup>th</sup> AGM of the Company was conducted on a fully virtual basis via remote participation and voting facilities, namely Securities Services e-Portal (“SSeP”). All votes were held by poll and submitted through SSeP.</p> <p>The Administrative Guide of 25<sup>th</sup> AGM including online registration and remote participation and voting were provided to shareholders. In addition, a step-by-step guide together with a short audio clip on the online voting module was played prior to the commencement of poll voting.</p> <p>An independent scrutineer was appointed to validate the votes cast and the results of each resolution put to vote were announced at the meeting. The poll results were instantaneously displayed on-screen which could be seen by shareholders who joined the meeting via electronic means, and confirmed by the Chairman.</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>The AGM is a valuable opportunity for the Board to engage with shareholders directly, although in 2021, in line with Malaysian Government's COVID-19 guidance, the format of the meeting was such that shareholders could not be present physically.</p> <p>The shareholders and proxy holders can rely on real time submission of typed text to exercise their rights to speak or communicate in a virtual meeting by submitting questions or remarks in relation to the agenda items into the text box given in the live stream player within the same SSeP page.</p> <p>The Group CEO has actively responded to relevant questions addressed to the Board during the 25<sup>th</sup> AGM.</p>
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

### Intended Outcome

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> :	<p>The Board ensured the required infrastructures and tools were in place to enable the smooth broadcast of the 25<sup>th</sup> AGM and meaningful engagement with the shareholders.</p> <p>The questions posed by the shareholders were responded by the Group CEO and displayed to make visible to all meeting participants during the 25<sup>th</sup> AGM.</p> <p>The Board ensured the seamless experience for shareholders in participating at the 25<sup>th</sup> AGM virtually by engaging SS E Solutions Sdn. Bhd. as the service provider of Remote Participation and Voting (“RPV”) facilities, namely SSeP for the 25<sup>th</sup> AGM.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### Intended Outcome

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 Company's AGM remains one of the most important platforms for communication and engagement between the Company and its shareholders, as it encompasses a two-way discussion on the Company's achievements and performance in the past year and its plans and strategies for the near and long-term future.  The recording of the proceedings in the form of minutes reflects the mutual understanding, agreements as well as resolutions reached between the shareholders and Directors of the Company.  The minutes of the 25 <sup>th</sup> AGM detailing proceedings and issues or concerns raised by shareholders, and the responses by the Company were available on the Company's website at <a href="https://www.ntpm.com.my">https://www.ntpm.com.my</a> within 30 business days after the conclusion of the AGM. The minutes provide useful information to shareholders and investors especially for the shareholders who were unable to attend to keep track with the AGM..
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

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

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

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