

**ZHULIAN®**

**ZHULIAN CORPORATION BERHAD**

**Company No. 199701000031 (415527-P)**

**(Incorporated in Malaysia)**

**CORPORATE GOVERNANCE  
REPORT**

**STOCK CODE** : 5131  
**COMPANY NAME** : ZHULIAN CORPORATION BERHAD  
**FINANCIAL YEAR** : 30 November 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   |
|---|---|
| <p><b>Explanation on application of the practice</b> :</p>  | <p>The Board’s role is to provide strategic guidance to the Company and effective oversight of its management for the benefit of shareholders and other stakeholders while the Management team manages and runs the operations.</p> <p>The Board is accountable to shareholders and is responsible for the stewardship of the Group’s Business and affairs on behalf of the shareholders. Significantly, the Board shall seek to ensure that the Business objectives of the Group is aligned with the expectations of shareholders with a view to enhancing long-term shareholders’ value whilst taking into account the interests of other stakeholders.</p> <p>Additionally, often, the Board has to warrant that the operations of the Group are being effectively managed in a manner that is properly focused on those Business objectives, conforming to regulatory and ethical requirements as well as maintaining high standards of transparency, accountability, integrity and governance.</p> <p>The Board is mindful of the importance of business sustainability and in developing the corporate strategy of the Group, its impact on the environment, social and governance aspects is taken into consideration.</p> <p>The Board delegates specific responsibilities to four (4) Committees, namely the Audit Committee (“AC”), Risk Management Committee (“RMC”), Nominating Committee (“NC”) and Remuneration Committee (“RC”).</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**

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

**Practice 1.2**

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

| Application   | Applied   |
|---|---|
| <p><b>Explanation on application of the practice</b> :</p>  | <p>Tuan Haji Wan Mansoor Bin Wan Omar is an Independent Non-Executive Chairman of the Board who provides a strong leadership and is responsible for ensuring the adequacy and effectiveness of the Board’s governance process.</p> <p>The Chairman ensures that Executive Directors look beyond their executive function and accept their full share of responsibilities of governance and provide regular updates on all issues pertinent to the welfare and future of the Group to the Board. The Chairman may delegate specific duties to the Executive Directors, Board members and / or Committees as appropriate.</p> <p>The Chairman ensures that proceedings of meetings comply with good conduct and practices and that discussions result in logical and understandable outcomes.</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**

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>   | Complied  |
| <b>Explanation on application of the practice</b> :  | <p>The positions of Chairman and Chief Executive Officer (“CEO”) are held by different individuals.</p> <p>Tuan Haji Wan Mansoor Bin Wan Omar is the Independent Non-Executive Chairman while Mr. Teoh Meng Keat is the CEO.</p> <p>The roles of the Chairman and CEO are distinct and separate to ensure that there is a balance of power and authority.</p> |
| <b>Explanation for departure</b> :   |   |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |
| <b>Measure</b> :   |   |
| <b>Timeframe</b> :   |   |

**Intended Outcome**

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

**Practice 1.4**

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

|  |  |
|--|--|
| <i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees’ meetings, by way of invitation, then the status of this practice should be a ‘Departure’.</i> |  |
| <b>Application</b>   | Departure  |
| <b>Explanation on application of the practice</b> :  |  |
| <b>Explanation for departure</b> :   | Chairman of the Board is a member of Audit Committee, Nominating Committee and Remuneration Committee. |
|  | Chairman resigned from the above mentioned committees on 1 December 2022.                              |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>   |  |
| <b>Measure</b> :   |  |
| <b>Timeframe</b> :   |  |

**Intended Outcome**

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

**Practice 1.5**

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 Company Secretary is qualified to act under Section 235(1) and (2)(b) of the Companies Act 2016 and holds the practicing license issued by the Companies Commission of Malaysia.</p> <p>The Company Secretary is responsible to provide sound governance advice to the Board, ensures proper Board procedures are followed and in compliance with relevant rules and regulations, as well as adoption of corporate governance practices.</p> <p>The Company Secretary plays an advisory role in all the Board and Board Committee meetings and ensures that all the meetings are properly convened and conducted.</p> <p>All secretarial and statutory records of the Company are maintained at the registered office of the Company by the Company Secretary.</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> :  | The agenda, the relevant reports, information and documents are furnished to Directors and Board Committee members in advance to allow the Directors sufficient time to peruse for effective discussion and decision-making during meetings.<br><br>All the minutes of Board and Board Committee meetings are properly recorded, maintained and circulated in a timely manner. |
| <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 has a Board Charter which sets out the roles, responsibilities, authorities and operation of the Board and Board Committees and matters reserved for the Board to decide. All Board members are aware of their duties and responsibilities.</p> <p>The Board Charter is reviewed by the Board as and when necessary in accordance with the needs of the Group to ensure its effectiveness and relevance to the Board’s objectives, current laws and practices.</p> <p>The Board Charter is accessible for reference on the Company’s corporate website at <a href="http://www.zhulian.com">www.zhulian.com</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>  | <b>Applied</b>   |
|---|--|
| <p><b>Explanation on application of the practice</b> :</p>  | <p>The Board is mindful of its role to establish a corporate culture which inculcates ethical conduct that permeates throughout the Group.</p> <p>The Board recognises the importance on adherence to the Code of Conduct and Code of Ethics by all personnel (i.e. Directors, Management and Officers) in the Group and has taken measures to put in place a process to ensure its compliance.</p> <p>The management and employees are expected to observe high standards of integrity and fair dealing in relation to customers, business partners, staff and regulators within the network where the Company operates.</p> <p>In this respect, the Board has established policies, procedures and controls in light of the 1 June 2020 enforcement of Section 17A of the Malaysian Anti-Corruption Commission Act 2018 on Corporate Liability. The Board has adopted adequate procedures as a defence against corporate liability and as a prevention of its employees and/or associated persons from committing corrupt practices and act of bribery in relation to its business activities. This policy, procedures and controls are in addition to and complementary to the Whistleblowing Policy and procedures established by the Board.</p> <p>The Board will periodically review and reassess the adequacy of the aforesaid codes and policies and make such amendments as it deems appropriate.</p> <p>The Code of Conduct, Code of Ethics, Whistleblower Policy and Anti-Bribery and Corruption Policy are available on the Company’s corporate website at <a href="http://www.zhulian.com">www.zhulian.com</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   |
|---|---|
| <p><b>Explanation on application of the practice</b> :</p>  | <p>The Company’s Whistleblower Policy outlines when, how and to whom a concern may be properly raised about the actual or potential corporate fraud or breach of ethics involving employee, Management or Director in the Group.</p> <p>This policy covers improprieties or irregularities, suspected fraud, corruption, dishonest practices or criminal offences, breach of confidentiality and failure to comply with legal or regulatory requirements.</p> <p>Concerns pertaining to financial reporting, unethical or illegal conduct is to be reported to the Chairman of the AC or CEO and employment-related concerns may be reported to the CEO.</p> <p>The aim of this policy is to promote and encourage the reporting of such matters in good faith with the confidence that the staff making such reports will be protected from any retaliation in the form of dismissal, harassment or discrimination at work, or any action in court, in respect of disclosure made by the whistleblower to the regulators.</p> <p>The Whistleblower Policy is available on the Company’s corporate website at <a href="http://www.zhulian.com">www.zhulian.com</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 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>   | Departue  |
| <b>Explanation on application of the practice</b> :  | The current Board consists of six (6) members, three (3) of whom are Executive Directors and three (3) are Independent Non-Executive Directors.   |
| <b>Explanation for departure</b> :   |   |
|  | 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.  |
| <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> :  | All relevant information has been duly disclosed 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**

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>   | Departure  |
| <b>Explanation on application of the practice</b> :  |  |
| <b>Explanation for departure</b> :   | The Board will keep abreast of sustainability issues by attending relevant trainings or seminars as an ongoing effort to conduct business in sustainable manner. |
| <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>   | Departure   |
| <b>Explanation on application of the practice</b> :  |   |
| <b>Explanation for departure</b> :   | The Board will address and study the requirements as well as review the existing performance evaluations accordingly. |
| <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 application of the practice</b> : |             |



**Intended Outcome**

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

**Practice 5.1**

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

|  |  |
|--|--|
| <b>Application</b>   | Applied  |
| <b>Explanation on application of the practice</b> :  | <p>The Nomination Committee (“NC”) is responsible to oversee and review the overall composition of the Board in terms of size, mix of skills, expertise, experience and other qualities and competencies of the Directors. The NC is also tasked to carry out the necessary evaluation of the effectiveness of each Director, the Board and the Board Committees on an annual basis.</p> <p>During the financial year, the NC has performed an annual review of the Board’s composition. Annual performance evaluation assessment has also been carried out as an effort to monitor the level of effectiveness of the Board, the Board Committees as well as individual Board members. NC recommended the following w.e.f 1 December 2022:</p> <p>a) Re-designation of Tuan Haji Wan Mansoor bin Wan Omar as Non-independent Non-executive Chairman and his resignation from all committees as member;</p> <p>b) Acceptance of Mr. Tan Lip Gay’s resignation from the Board;</p> <p>c) Acceptance of two independent women directors, namely Ms Rosaline Heah Gaik See and Ms Tan Gim May for gender diversity</p> <p>The NC has also conducted assessment on the Directors who were subject to retirement at the forthcoming Annual General Meeting (“AGM”) and was satisfied with the performance and contribution of the retiring Directors. The Board has accordingly endorsed the re-elections of the retiring Directors at the AGM as recommended by the NC.</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>During the financial year, the Board consisted of six (6) members, three (3) of whom are Non Independent Directors and three (3) are Independent Directors.</p> <p>With the changes in the composition of the Board as mentioned in 5.1 on 1 December 2022, the Board consisted of six (7) members, three (3) of whom are independent Directors and four (4) are Non Independent Directors.</p> <p>The present composition of the Board is in compliance with Paragraph 15.02 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.</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 5.3**

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

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

|  |  |
|--|--|
| <b>Application</b>   | Applied  |
| <b>Explanation on application of the practice</b> :  | The Not applicable. Refer Practice 5.1 where there have been changes to the Board to comply with Practice 5.3. |
| <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 application 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.

| Application  | Applied  |
|--|--|
| <b>Explanation on application of the practice</b> :  | <p>The Board appoints Directors and Senior Management based on merit, objective criteria, diverse backgrounds with wide range of functional knowledge, skills, expertise and experience.</p> <p>Current directors come from differing backgrounds with commercial, financial and technical experience.</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>Current process with regards to the appointment of new Directors to the Board is based on the recommendation of the Nomination Committee (“NC”). The Board relies on the existing network and referrals from existing Directors and Major Shareholders, industry acquaintances, contacts in related to industries as primary means to source for new Directors as they present a tried and tested method of sourcing high-calibre directors with a sound understanding of the business. However, the Board is open to a recommendation from all sources including independent sources.</p> <p>The Directors’ appointment process is carried out based on a methodical and robust process undertaken by the Nomination Committee. Candidates recommended are thoroughly process undertaking by the NC. Candidates recommended are thoroughly assessed based on their competence, integrity, character, time commitment and experience as stated in Paragraph 2.20A of Bursa Securities Main Market Listing Requirements. The Company will also consider external and independent sources, if applicable.</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 5.7**

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

|  |   |
|--|---|
| <b>Application</b>   | Applied   |
| <b>Explanation on application of the practice</b> :  | The details of the Directors' interests, position and experience are set out in the Directors' profiles in the Annual Report. The performance of the retiring directors was assessed by the Nomination Committee and Board before recommendation was made to the shareholders for consideration. For independent directors, the Nomination Committee also assessed their relationship that might influence, or reasonably be perceived to influence their capacity to bring an independent judgement and to act in the best interests of Company. |
| <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 comprises three (3) Independent Non-Executive Directors.(INED) The members of Nominating Committee are as follows:</p> <p><u>During the financial year ended 30/11/2022</u></p> <table> <tr> <td>Mr. Tan Lip Gay</td> <td>Chairman (INED)</td> </tr> <tr> <td>Tuan Haji Wan Mansoor bin Wan Omar</td> <td>Member (INED)</td> </tr> <tr> <td>Mr. Oon Hock Chye</td> <td>Member (INED)</td> </tr> </table> <p><u>With effect from 1 December 2022</u></p> <table> <tr> <td>Ms Rosaline Heah Gaik See</td> <td>Chairman (INED)</td> </tr> <tr> <td>Ms Tan Gim May</td> <td>Member (INED)</td> </tr> <tr> <td>Mr. Oon Hock Chye</td> <td>Member (INED)</td> </tr> </table> | Mr. Tan Lip Gay | Chairman (INED) | Tuan Haji Wan Mansoor bin Wan Omar | Member (INED) | Mr. Oon Hock Chye | Member (INED) | Ms Rosaline Heah Gaik See | Chairman (INED) | Ms Tan Gim May | Member (INED) | Mr. Oon Hock Chye | Member (INED) |
| Mr. Tan Lip Gay  | Chairman (INED)  |                 |                 |                                    |               |                   |               |                           |                 |                |               |                   |               |
| Tuan Haji Wan Mansoor bin Wan Omar   | Member (INED)  |                 |                 |                                    |               |                   |               |                           |                 |                |               |                   |               |
| Mr. Oon Hock Chye  | Member (INED)  |                 |                 |                                    |               |                   |               |                           |                 |                |               |                   |               |
| Ms Rosaline Heah Gaik See  | Chairman (INED)  |                 |                 |                                    |               |                   |               |                           |                 |                |               |                   |               |
| Ms Tan Gim May   | Member (INED)  |                 |                 |                                    |               |                   |               |                           |                 |                |               |                   |               |
| Mr. Oon Hock Chye  | Member (INED)  |                 |                 |                                    |               |                   |               |                           |                 |                |               |                   |               |
| <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> :   | The Board acknowledges the recommendation of MCCG on gender diversity and this is evident through the appointment of two women directors on 1 December 2022. |
|  | The NC will, however, continue to take steps to ensure suitable women candidates are sought and considered as part of its recruitment exercise.              |
| <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> :   | <p>The Board has not established a specific policy on setting targets for women candidates. The Board believes it is not necessary to adopt a formal gender, ethnicity and age diversity policy as the Group is committed to provide fair and equal opportunities and nurturing diversity within the Group.</p> <p>The evaluation of the suitability of candidates is based on the candidates’ mix of skills, knowledge, professionalism, competencies, character, time commitment, integrity, independence, and experience to bring value and expertise to the 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**

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 Board reviews annually, via reports from the NC, its performance, as well as the performance of Board Committees and individual Directors based on a set of predetermined criteria that is facilitated by the Company Secretary.</p> <p>The Board is satisfied that the composition of the Board and its Board Committees had met the criteria required and Board members possess the relevant knowledge, experience and skills in carrying out their duties and responsibilities.</p> <p>All assessments and evaluations carried out by the NC are properly documented by the Company Secretary.</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.

| Application  | Departure   |
|--|---|
| <b>Explanation on application of the practice</b> :  |   |
| <b>Explanation for departure</b> :   | <p>The remuneration of Directors is reviewed periodically giving due recognition to performance, industry, norms and competitive pressures so as to ensure that the Group can attract and retain executives of the necessary quality.</p> <p>Disclosure is made in accordance with Bursa Securities requirement that the Company should disclose on a named basis for Executive Directors remuneration and categorized into the appropriate component including salary, bonus, benefits-in-kind and other emoluments.</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**

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

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

**Practice 7.2**

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

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

| <b>Application</b>   | Applied  |
|--|--|
| <b>Explanation on application of the practice</b> :  | <p>The RC has its own Terms of Reference and guidelines structured to align and complement the strategic direction and objectives of the Company to ensure its long-term success.</p> <p>The Terms of Reference for the RC is made available on the Company’s corporate website at <a href="http://www.zhulian.com">www.zhulian.com</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**

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>                                |                                       | <b>Applied</b>  |        |       |                      |                     |       |
|---|---------------------------------------|---|--------|-------|----------------------|---------------------|-------|
| <b>Explanation on application of the practice</b> |                                       | The remunerations of the Executive Director and Independent Non-Executive Directors for the financial year ended 30 November 2022 are disclosed as below. |        |       |                      |                     |       |
| GROUP ('000)                                      |                                       |   |        |       |                      |                     |       |
| No  | Name                                  | Directorate   | Salary | Bonus | Benefits<br>-in-kind | Other<br>emoluments | Total |
| 1   | Teoh Meng Keat                        | Executive Director  | 1,416  | 137   | 3                    | 187                 | 1,743 |
| 2   | Teoh Meng Soon                        | Executive Director  | 480    | 46    | 1                    | 63                  | 590   |
| 3   | Teoh Meng Lee                         | Executive Director  | 480    | 46    | 1                    | 63                  | 590   |
| COMPANY ('000)                                    |                                       |   |        |       |                      |                     |       |
| No  | Name                                  | Directorate   |        | Fee   | Allowance            |                     | Total |
| 4   | Tuan Haji Wan Mansoor Bin<br>Wan Omar | Independent Director  |        | 50    | 4                    |                     | 54    |
| 5   | Tan Lip Gay                           | Independent Director  |        | 50    | 4                    |                     | 54    |
| 6   | Oon Hock Chye                         | Independent Director  |        | 50    | 4                    |                     | 54    |

**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> :   | <p>The Board acknowledged the need for transparency in the disclosure of its Senior Management’s remuneration.</p> <p>Nonetheless, it takes the view that such disclosure might be detrimental to the Group’s business interests given the highly competitive human resources environment in which the Group operates where intense head hunting for the candidates with the requisite expertise, knowledge and relevant professional experience is the norm.</p> <p>As such, disclosure of specific remuneration information could give rise to recruitment and talent retention issues going forward. The Group adopts a remuneration system that is responsive to the market elements as well as performance of the Group and its business divisions.</p> <p>The Company is of the view that the disclosure on a named basis the top five Senior Management’s remuneration component would create negative impact amongst the Senior Management due to the sensitivity of the information.</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**

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 application 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> :  | The Chairman of the Board is Tuan Haji Wan Mansoor Bin Wan Omar while the Chairman of the AC is Mr. Oon Hock Chye. They are not related to each other. |
| <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>   | Departure   |
| <b>Explanation on application of the practice</b> :  |   |
| <b>Explanation for departure</b> :   | The Company has not appointed a former key audit partner from its external auditors as a member of the Audit Committee. Cooling off period as contained herein is to be complied with should there be any former partner of external audit firm of the Company be selected for appointment. |
| <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.

| Application   | Applied  |
|---|--|
| <p><b>Explanation on application of the practice</b> :</p>  | <p>The AC has always maintained a transparent relationship with the External Auditors in seeking professional advice and ensuring that the financial statements of the Group are prepared in accordance with the applicable approved accounting standards in Malaysia.</p> <p>The AC has set the criteria to assess the suitability and independence of External Auditors. The AC has reviewed and assessed the External Auditors in terms of independence, performance, competency and integrity, and recommended their re-appointment to the Board, upon which the shareholders’ approval will be sought at the AGM.</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**

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  |
|--|--|
| <p><b>Explanation on application of the practice</b> :</p> | <p>All the three members of the AC are Independent Non-Executive Directors.</p> <p>Mr. Oon Hock Chye<br/>Audit Committee Chairman, Independent Non-Executive Director</p> <p>Mr. Tan Lip Gay<br/>Independent Non-Executive Director</p> <p>Tuan Haji Wan Mansoor Bin Wan Omar<br/>Independent Non-Executive Director</p> |

**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**

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   |
|---|---|
| <p><b>Explanation on application of the practice</b> :</p>  | <p>The Chairman of the AC, Mr. Oon Hock Chye, is a member of the Malaysian Institute of Accountants (“MIA”), a fellow member of the Association of Chartered Certified Accountants (ACCA), a fellow member of the Chartered Tax Institute of Malaysia (CTIM) and also a Certified Financial Planner (CFP).</p> <p>All the members of the AC are able to understand matters under the purview of the AC including the financial reporting process. Members of the AC review the financial related matters collectively.</p> <p>External Auditors updates the AC with relevant developments in accounting and auditing standards, practices and rules as and when necessary.</p> <p>The qualification and experience of the AC members are disclosed in the Board of Directors’ Profile in the Annual Report.</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**

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 established the Enterprise Risk Management (“ERM”) framework to identify, measure and manage the Group’s principal risks.</p> <p>It recognises that a sound risk management framework is essential to ensure proper management of the risks that may impede the achievement of the Group’s objectives.</p> <p>The Statement on Risk Management and Internal Control as disclosed in the Company’s Annual Report 2022 has been reviewed by the External Auditors.</p> |
| <b>Explanation for departure</b> :   |   |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |   |
| <b>Measure</b> :   |   |
| <b>Timeframe</b> :   |   |

**Intended Outcome**

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

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

**Practice 10.2**

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

|  |   |
|--|---|
| <b>Application</b>   | Applied   |
| <b>Explanation on application of the practice</b> :  | All relevant information has been duly disclosed in 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>  | <b>Applied</b>  |
|---|---|
| <p><b>Explanation on application of the practice</b> :</p>  | <p>The RMC with clearly defined Terms of Reference and headed by the CEO has been established as an entity to be responsible for the overall Group’s risk management.</p> <p>The Committee discusses solutions and challenges pertaining to risk management and these are reported to the Board of Directors at the Board meeting after each Committee meeting.</p> <p>The RMC comprises of one (1) Executive Director and three (3) Non-Executive Directors.</p> <p>Mr. Teoh Meng Keat<br/>Chairman, Executive Director</p> <p>Tuan Haji Wan Mansoor Bin Wan Omar<br/>Independent Non-Executive Director</p> <p>Mr. Tan Lip Gay<br/>Independent Non-Executive Director</p> <p>Mr. Oon Hock Chye<br/>Independent Non-Executive Director</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**

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

**Practice 11.1**

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

|  |  |
|--|--|
| <b>Application</b>   | Applied  |
| <b>Explanation on application of the practice</b> :  | <p>The AC determines the adequacy of the scope, functions, manpower, competency and resources of the Internal Audit department and ensures that it has the necessary authority to carry out its work.</p> <p>The Internal Auditors provide independent and reasonable assurance to improve the internal controls of the Company.</p> <p>Its scope encompasses the examination and evaluation of the adequacy, integrity and effectiveness of the Company’s overall system of internal control, risk management and governance.</p> <p>The information pertaining to the AC’s assessment on internal audit function is set out in the AC Report as disclosed in the Company’s Annual Report 2022.</p> |
| <b>Explanation for departure</b> :   |  |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> |  |
| <b>Measure</b> :   |  |
| <b>Timeframe</b> :   |  |

**Intended Outcome**

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

**Practice 11.2**

The board should disclose–

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

| <b>Application</b>   | Applied   |
|--|---|
| <b>Explanation on application of the practice</b> :  | <p>All internal audit personnel have no relationship or conflict of interest which may impair their objectivity and independence.</p> <p>The information on the internal audit unit has been spelt out in the AC Report as contained in the Company’s Annual Report 2022.</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>  | <b>Applied</b>   |
|---|--|
| <p><b>Explanation on application of the practice</b> :</p>  | <p>The Board has ensured timely disclosure of material information pertaining to the Company’s performance and operations to the public, in accordance with the corporate disclosure requirements under the MMLR and other applicable laws.</p> <p>The Board has established a dedicated section on the Company’s corporate website <a href="http://www.zhulian.com">www.zhulian.com</a> for disclosure of corporate information on the Company’s announcements, financial information, annual reports, quarterly reports, and declaration of dividends, share prices and analysts’ reports. The website is the key communication channel for the Company to reach its shareholders and other stakeholders.</p> <p>The website enhances the investor relations function and includes a corporate newsroom, investment calculator of stocks, as well as enquiries. Shareholders and other stakeholders may direct their enquiries via “Information Request” and the Company’s IR contact will endeavour to reply to these queries. Shareholders can also access historical data and stocks chart information in the Company’s website.</p> <p>The Annual General Meeting (“AGM”) is a platform for dialogue and interaction with shareholders. The Company has always taken the initiative to communicate and engage with shareholders especially during AGM. Shareholders are always encouraged to enquire issues and discuss matters which are relevant to the business operations of the Group at the AGM.</p> <p>The Company is open to analysts’ briefings as well as meetings with fund managers and investors in response to requests from institutional investors, analysts and public investors.</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**

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

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

**Practice 12.2**

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

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

**Intended Outcome**

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

**Practice 13.1**

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

|  |   |
|--|---|
| <b>Application</b>   | Applied   |
| <b>Explanation on application of the practice</b> :  | The Company serves the Notice of its AGM together with Annual Report to shareholders at least 28 days prior to the meeting. |
| <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>In the past, all Directors attended the Company’s AGM and barring unforeseen circumstances, all Directors shall be attending all the Company’s General Meetings.</p> <p>The Chairman of all the relevant Board Committees (including the External Auditors) attended the past AGMs of the Company and will be present at the forthcoming AGM to provide response to questions addressed to them by the shareholders during the AGM, if any.</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 Board considers the convenience of shareholders when selecting a suitable and appropriate location to hold its AGM.</p> <p>Shareholders who are unable to attend the AGM have the option of appointing proxies to attend and vote on their behalf by completing the proxy form enclosed in the Annual Report and depositing it at the Registered Office at least forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.</p> <p>All resolutions set out in the Notice of AGM will be put to vote by poll, under the scrutiny of an independent scrutineer to validate the votes cast in the AGM. The outcome of the AGM will be announced to Bursa Securities on the same meeting day.</p> <p>Before resorting to the use of technology voting system, the Board will observe the number of shareholders turn-up in the next few general meetings and evaluate the cost and benefit of the electronic and technology voting system options for managing voting by large group of shareholders.</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.

*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.*

| <b>Application</b>   | Applied   |
|--|---|
| <b>Explanation on application of the practice</b> :  | <p>Shareholders were given the opportunity to ask questions on matters relating to the Group’s business in addition to the Company’s financial statements at the Annual General Meeting (AGM).</p> <p>In the past few AGMs, the Board addressed all questions posed by shareholders. The Board also presented responses to the queries raised by Minority Shareholders Watch Group prior to AGM. Members of the Board and Board Committees, the management, Company Secretary and external auditors were present during the AGMs to address any areas of interest or concerns brought up by the shareholders.</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.

*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.*

|  |   |
|--|---|
| <b>Application</b>   | Not applicable – only physical general meetings were conducted in the financial year. |
| <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 13.6**

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> :  | Minutes of AGM was prepared and published on the Company’s corporate website together questions and responses to questioned raised by shareholders no later than 30 business days after 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 PERSUANT  
CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

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