

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0157
COMPANY NAME : FOCUS POINT HOLDINGS BERHAD
FINANCIAL YEAR : 31 December 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 PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is accountable and responsible for leading and controlling the Group towards realizing long term shareholders' value, overseeing the performance and affairs of the Group and is committed to strive towards the highest standards of corporate governance of the Group and also to optimise long-term financial returns and the enhancement of shareholders' value. The Board shall strive to ensure that the Group are managed to achieve this result. This is an active, not a passive, responsibility. The Board must ensure that in good times, as well as difficult ones, management is capable of executing its responsibilities</p> <p>The Board is supported by the following Board Committees and has delegated specific responsibilities to the respective Committees as defined in the terms of reference of the respective Committees, approved by the Board:-</p> <ul style="list-style-type: none">i) Audit Committeeii) Nomination Committeeiii) Remuneration Committee <p>The Board adopted a Board Charter which sets out the authority, role, responsibilities, membership and operation of the Board.</p> <p>The Board has the overall responsibilities for corporate governance, strategic direction, formulation of policies and overseeing the investment and business of the Group.</p> <p>Since 2020, the Board has been tasked with the additional responsibility of ensuring the effectiveness and adequacy of the approved Anti-Bribery and Corruption Policy ("ABCP") in accordance with the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018) ("MACC Act 2009").</p>

	<p>Risk Management and Internal Control Framework were in place during the year. The said framework encompasses Board and Senior Management’s oversight in risk management and internal control of the Group; and to ensure business objectives and strategies are in line with the risk and internal control environment of the Group.</p> <p>The Board will ensure senior management has the necessary skills and experience. Nomination Committee, in assisting the Board as a whole, had carried out annual assessment on Board Committees, Board and Individual Director. Meeting was held during the year to deliberate their respective performance.</p> <p>Management’s proposal which required Board’s approval was tabled at Board meeting for discussion and adoption prior to implementation. Relevant board papers were circulated to the Board prior to the Board meeting.</p> <p>Quarterly financial reports were tabled to the Audit Committee and the Board for approval quarterly. Adequate presentation and explanation were furnished to the Board prior to its approval.</p> <p>Enterprise risk scorecards for the three major divisions, i.e., optical retail, optical franchise and food & beverage were tabled to the Audit Committee and the Board for deliberation.</p> <p>The Board Charter and the respective committees’ terms of reference are available for reference at the Company’s website at www.focus-point.com.my.</p>
<p>Explanation for departure</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>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</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
Explanation on application of the practice	:	<p>The Board is led by the Non-Independent and Non-Executive Chairman, Dato' Sri Suriani Binti Dato' Ahmad which was appointed to the Board on 22 July 2022. She is primarily responsible for the orderly conduct and function of the Board and providing a balance to the influence of the President/Chief Executive Officer of the Company.</p> <p>The roles and responsibilities of the Chairman are clearly specified in the Board Charter. They include, but not limited to the following:-</p> <ul style="list-style-type: none">- Lead the Board in setting its values and ethical standards of the Company and monitor the workings of the Board.- Provides leadership to the Board and is responsible for the developmental needs of the Board.- Ensures appropriate procedures and controls are in place to govern the Board's operation.- Leads the Board in establishing and monitoring good corporate governance practices in the Company.- Ensures decision made by the Board is sound, reasonable, and to the best interest of minority shareholders.- Chair's meetings of the Board and stimulating debates on issues and encouraging positive contribution from each Board Member.- Maintain a relationship of trust with and between the Executive and Non-Executive Directors.- Ensure effective communication with shareholders and relevant stakeholders.- The Chairman shall act as liaison between the Board and the Management, and in particular between the Board and the Chief Executive Officer.- Ensure all Directors are properly briefed on issues arising at Board meeting and there is sufficient time allowed for discussion on complex or contentious issues and where appropriate.
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The roles of the Chairman and the President/Chief Executive Officer of the Company are held by two different individuals to ensure that there is a balance of power and authority.</p> <p>Dato' Suhaili Bin Abdul Rahman, the past Chairman of the Board was retired at the conclusion of the 13th Annual General Meeting of the Company held on 25 May 2022 whilst Dato' Sri Suriani Binti Dato' Ahmad was appointed as Non-Independent Non-Executive Chairman on 22 July 2022.</p> <p>The Chairman of the Board, Dato' Sri Suriani Binti Dato' Ahmad is primarily responsible for the orderly conduct and function of the Board and providing a balance to the influence of the President/Chief Executive Officer of the Company.</p> <p>The President/Chief Executive Officer, Dato' Liaw Choon Liang is responsible for the day-to-day running of the Group's business, implementation of the Board's policies and making operational decisions. He is assisted in managing of the Group's business by the Management.</p> <p>Their respective roles and responsibilities are governed under the Company's Board Charter. The Board Charter is available at the Company's website.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

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'.

Application	:	Applied
Explanation on application of the practice	:	The Chairman of the Board, Dato' Sri Suriani Binti Dato' Ahmad is not a member of the Audit Committee, Nomination Committee and the Remuneration Committee of the Company.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company Secretaries, Ms Wong Wai Foong and Ms Wong Peir Chyun are qualified Chartered Secretaries and members of The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). They are also secretaries for all Board Committees.</p> <p>The Company Secretaries of the Company carried out, among others, the following tasks:-</p> <ul style="list-style-type: none">i) advised the board on its role and responsibilities, corporate disclosures and compliance with company and securities regulations and listing requirements.ii) attended Board and Board Committee meetings and ensure the Board meeting are properly convened and proceedings are properly recorded.iii) managed processes pertaining to the annual shareholder meeting.iv) maintained statutory record that includes minutes of Board and Board Committees.v) monitored corporate governance developments and facilitated the Board in applying governance practices to meet the board's needs and stakeholders' expectations.vi) facilitated the provision of information as may be requested by the Directors from time to time.vii) serve as a focal point for stakeholders' communication and engagement on corporate governance issues. <p>The Company Secretaries keep themselves abreast with the developments around listing and related statutory obligations and corporate governance practices by undertaking continuous professional development.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>There is timely circulation of proper notice of meetings together with the agenda and meeting materials to allow reasonable time for Directors to view Board papers and be prepared for the meetings.</p> <p>Minutes of Directors' meeting are distributed to all Directors on a timely basis for review and comment, and thereafter for confirmation at next board meeting. The signed board minutes are entered in minutes books kept by the company secretaries.</p> <p>To facilitate the respective Directors' schedule planning, meeting calendar is prepared and circulated to the Board in advance of every new year. The meeting calendar comprises scheduled dates for Board and Board Committees meetings, closed period reminders as well as targeted dates for the announcements of the Company's quarterly results. Management will ensure that appropriate actions had been taken to resolve the follow up items and update the Board and Board Committees in the respective meetings accordingly.</p> <p>Upon the conclusion of the respective Board and Board Committees' meetings, the Company Secretaries would document the deliberations and decisions made at the meetings into the minutes including matters where Directors abstained from voting or deliberation.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company's Board Charter clearly identifies the respective roles and responsibilities of the Board as well as individual director including Chairman, President/Chief Executive Officer, Non-Executive Directors, Independent Non-Executive Directors, Senior Independent Non-Executive Director and Senior Management. It also clearly identifies the following matters:-</p> <ul style="list-style-type: none"> i) Guidelines for Board membership ii) Board Process and Supply of Information iii) Board Committees iv) Management of Risks v) General Meetings vi) Investor Relation and Effective Communication vii) Relationship with other Stakeholders viii) Application of the Charter <p>The Board regularly reviews this charter, where necessary, to ensure they remain consistent with the Board's objectives as well as responsibilities, and relevant standards of corporate governance. The Board Charter is available on the Company's website.</p> <p>The Board Charter was reviewed and approved by the Board on 31 December 2021.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company's Code of Conduct and Ethics for Directors and Senior Management include the following principles:-</p> <ul style="list-style-type: none"> - Corporate Governance - Relationship with Shareholders, Employees, Creditors and Customers - Social Responsibilities and the Environment - Disclosures and Reporting - Compliance with Laws, Rules and Regulations - Insider Trading - Maintaining Confidentiality - Bribery and Corruption <p>A copy of the Code of Conduct and Ethics for Directors and Senior Management is available on the Company's website.</p> <p>The Code of Conduct and Ethics for Directors and Senior Management was last reviewed by the Board on 25 November 2020.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has established and adopted a Whistleblowing Policy to provide an avenue for raising concerns relating to possible improprieties in matters of financial reporting, compliance and other malpractices at the earliest opportunity, in an appropriate manner and without fear of retaliation.</p> <p>The Whistleblowing Committee which comprises the Audit Committee Chairman, an Independent Non-Executive Director and Chief Executive Officer was established to oversee the implementation of the whistleblowing policy and its related matter.</p> <p>The Whistleblowing Policy is available on the Company’s website.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board acknowledged the importance of sustainability considerations in the Company’s business strategies to achieve continuing growth and profitability.</p> <p>The Board assumes the overall responsibility for sustainability strategy and performance of Focus Point. The Board are supported by the President/Chief Executive Officer and Head of Departments to oversee the effective implementation of the sustainability strategy.</p> <p>Currently, the Board is in the midst of finalising a formalised Sustainability Framework for the Company.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board communicated the Company's sustainability strategies, priorities, targets and performance with its internal and external stakeholders through formal and informal channels and activities.</p> <p>For more details on stakeholders' engagement and communication, please refer to the disclosure under the Sustainability Report in the 2022 Annual Report.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The board will assess training programmes for each member of the Board to ensure that the Directors will continue to attend external and internal training to enhance their knowledge and understanding of sustainability issues relevant to the Company and its business.</p> <p>In FY2022, the Board and Senior Management has attended to trainings relating to Sustainability conducted by sustainability practitioner.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	The performance of the Board which includes a revised evaluation form in relation to Environmental, Social and Governance (ESG) for financial year ended 31 December 2022 was evaluated through the annual Board's Evaluation. Whereas for the performance evaluation of Senior Management, a set of KPIs in addressing the Company's material sustainability risks and and opportunities has been finalised in year 2022 and will be implemented during the annual appraisal for year 2023.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Nomination Committee ("NC") continue to discharge their functions and to ensure that the board composition and tenure of each director is reviewed periodically. The NC also ensure that the re-election of directors is carried out annually and evaluation of the directors are done objectively.</p> <p>During the FY 2022, the following Directors are subject to retirement pursuant to the Constitution of the Company at the 13th Annual General Meeting ("AGM") of the Company held on 25 May 2022:</p> <ul style="list-style-type: none">(a) Dr Haliza Binti Abdul Mutalib(b) Lee Tuan Meng(c) Dato' Suhaili Bin Abdul Rahman(d) Leow Ming Fong @ Leow Min Fong <p>Dato' Suhaili Bin Abdul Rahman and Leow Ming Fong @ Leow Min Fong didn't seek for re-election at 13th AGM of the Company and both of them had retired at the conclusion of the 13th AGM.</p> <p>The NC are of the view that Dr Haliza Binti Abdul Mutalib and Lee Tuan Meng had discharged their duties effectively and had provided valuable contribution to the leadership of the Group. With that, upon the recommendation of the NC, the Board resolved to recommend the re-election of Dr Haliza Binti Abdul Mutalib and Lee Tuan Meng at the 13th AGM of the Company.</p> <p>The substantial shareholder of the Company, Perbadanan Nasional Berhad has nominated their representative to the Board of the Company. Hence, Dato' Sri Suriani Binti Dato' Ahmad was appointed to the Board as Non-Independent Non-Executive Chairman on 22 July 2022</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 5.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>As at 31 December 2022, the Board comprises six (6) Directors, three (3) of whom are Independent Directors. The Independent Non-Executive Directors of the Company are:-</p> <ol style="list-style-type: none">1) Datin Sim Swee Yoke2) Dr Haliza Binti Abul Mutalib3) Lee Tuan Meng <p>All the 3 Independent Non-Executive Directors named above have met the criteria of independence as prescribed under ACE Market Listing Requirements of Bursa Malaysia Securities Berhad based on assessments conducted on an annual basis to ensure that they are independent and free from any dealings or relationships which could materially interfere with their independent judgement or the ability to act in the best interests of the Company:</p> <p>With that, the Board had complied with the requirement of half Independent Directors on Board.</p> <p>The composition and size of the Board are also reviewed through the Nomination Committee annually to ensure its appropriateness and effectiveness.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.3

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

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

Application	:	Not applicable - Step Up 5.4 adopted	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 - Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board, assisted by the Nomination Committee (“NC”), considers the following aspects and processes for Board nomination and election.</p> <ul style="list-style-type: none">i) Identification of candidateii) Evaluation of suitability of candidateiii) Meeting up with candidateiv) Final deliberation by NC; andv) Recommendation to the Board. <p>In making its recommendations, the NC will consider the following requirements of the candidates:-</p> <ul style="list-style-type: none">i) Skills knowledge, expertise and experienceii) Age and genderiii) Professionalismiv) Integrityv) In the case of candidates for the position of Independent Non-Executive Director, the Committee should also evaluate the candidate’s ability to discharge such responsibilities/functions as expected from independent Non-Executive Directors; andvi) Time commitment <p>Upon identifying the appropriate candidate to be appointed as Director or Board Member, the NC will make their recommendations to the Board for approval.</p> <p>The Directors’ Fit and Proper Policy was adopted by the Board on 23 June 2022 and a copy of policy is available on Company’s website.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is open to various sources to identify suitable candidates for the Boardroom and senior management team and does not rely solely on the recommendations from the existing Board members, management or major shareholders.</p> <p>Upon the Nomination Committee (NC) reviewed the profile and qualification of the candidate(s) for new directorship and the candidate(s) would be interviewed by the Nomination Committee Chairman, who takes the lead to assess the suitability and ability to discharge the duties and responsibilities as a Director and a background check before recommending the new appointment to the Board for approval.</p> <p>The nomination of Non-Independent Non-Executive Chairman, Dato' Sri Suriani Binti Dato' Ahmad to the Board was recommended by Perbadanan Nasional Berhad (PERNAS), being a major shareholder of the Company and her credentials was reviewed by the NC. The NC was satisfied that Dato' Sri Suriani was suitable candidate to discharge the duties as Chairman of the Board and recommended her appointment to the Board for approval. She was appointed as Non-Independent Non-Executive Chairman of the Company on 22 July 2022.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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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.

Application	:	Applied
Explanation on application of the practice	:	<p>In order for the shareholders to make an informed decision on the re-election of the retiring Directors at the 13th AGM of the Company held on 25 May 2022, the Board has provided a statement to support the re-election of the Directors and justifications in the Company's Notice of 13th AGM issued on 26 April 2022.</p> <p>The re-election of each Director is put for voting under separate resolutions during the 13th AGM of the Company and the following retiring Directors have been re-elected as Directors pursuant to Clause 78 of the Constitution of the Company:</p> <p>(1) Dr Haliza Binti Mutalib (2) Lee Tuan Meng</p> <p>Besides, Nomination Committee also carried out assessment on the independence of Independent Directors and is satisfied that they met the criteria of independence as prescribed by paragraph 1.01 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Nomination Committee is chaired by an Independent Director, Dr Haliza Binti Abdul Mutalib.</p> <p>The Chairman of the Nomination Committee leads the annual review of Board effectiveness to ensure that the performance of each individual director is independently assessed.</p> <p>The responsibilities of the Senior Independent Director are set out in the Board Charter, which is available on the Company's website.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	As at 31 December 2022, the Board comprised of 4 women Directors out of 6 Directors which represent 67% of the Board. Their presence complies with ACE Market Listing Requirements which mandates presence of at least one woman Director on the Board.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board currently has six (6) Board members out of which four (4) are women Directors which represent 67% of the Board.</p> <p>The Group also applied the gender diversity at the Senior Management level. 8 out of 15 of the senior management are females which make up 53% of female representation in the senior management level.</p> <p>The Board reviewed and adopted the Board Diversity Policy on 22 February 2022, a copy of which is available on Company's website.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The Nomination Committee has been performing annual assessment on individual director, the Board as a whole and all Board Committees, through self-assessment and peer review assessment.</p> <p>The Directors have completed the evaluation documents cover the assessment of the Board and Board Committees’ performance, assessment of individual Directors (self and peer evaluation) and assessment of the independence of independent Directors. The Directors have also provided their comments and recommendation on the Board’s improvements. A summary of the evaluation was then be prepared and tabled to the Nomination Committee. The Nomination Committee would review the summary, assess and make relevant recommendations to the Board for further discussion.</p> <p>The Board members know each other well to give an effective and honest assessment. The assessment result thus far has been objective and reasonable.</p>
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group has adopted a remuneration policy to attract and retain the suitable calibre of directors and senior management.</p> <p>The Remuneration Committee is responsible to review the remuneration policy and will take into consideration the financial performance of the Group, which is closely related to the performance of the executive directors in particular before any recommendation is made to revised their remuneration.</p> <p>The executive directors will abstain from deliberating their own remuneration and the non-executive directors too will abstain in deciding their remuneration during the meetings.</p> <p>The Board had reviewed and adopted Remuneration Policy for Directors and Senior Management on 22 November 2022. The Remuneration Policy for Directors and Senior Management is available on Company’s website.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established Remuneration Committee ("RC") to review and recommend matters relating to the remuneration of Board and Senior Management. As at 31 December 2022, the Remuneration Committee comprises exclusively of the Non-Executive Directors as follows:-</p> <ul style="list-style-type: none">i) Datin Sim Swee Yoke – Chairman/Independent Non-Executive Directorii) Lee Tuan Meng – Member/Independent Non-Executive Chairmaniii) Dr Haliza Binti Abdul Mutalib – Member/Non-Independent Non-Executive Director <p>The RC supports the board in actively overseeing the design and operation of the company's remuneration system as well as review and recommend to the Board on the total individual remuneration package for executive directors and senior management personnel.</p> <p>The RC also ensure the remuneration of Non-Executive Directors remain appropriate to reflect the level of experience, commitment and responsibilities undertaken by the respective Directors.</p> <p>The respective directors shall play no part in decisions on their own remuneration. The Directors who are shareholders should abstain from voting at general meetings to approve their fees.</p> <p>The RC's roles and functions are governed under its Terms of Reference ("TOR"). The TOR of the RC is reviewed and updated as and when necessary. A copy of the TOR of the RC is available on the Company's website and it was reviewed and approved on 31 December 2021.</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	Detailed disclosure on named basis for the remuneration of individual director is set out at page 58 of the Company's Annual Report 2022. The remuneration breakdown of individual director includes fees, salary, bonus, benefits in-kind and other emoluments as follows:

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Liaw Choon Liang	Executive Director	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	1,836,000	456,000	176,382	396,880	2,866,262
2	Datin Goh Poi Eong	Executive Director	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	456,000	114,000	27,692	91,200	688,892
3	Leow Ming Fong@Leow Min Fong	Independent Director	20,000	Input info here	Input info here	Input info here	Input info here	750	20,750	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Datin Sim Swee Yoke	Independent Director	48,000	Input info here	Input info here	Input info here	2,379	1,250	51,629	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Dr. Haliza Binti Abdul Mutalib	Independent Director	48,000	Input info here	Input info here	Input info here	Input info here	1,250	49,250	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
6	Dato' Suhaili Bin Abdul Rahman	Non-Executive Non-Independent Director	22,500	Input info here	Input info here	Input info here	Input info here	Input info here	22,500	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
7	Dato' Sri Suriani Binti Dato' Ahmad	Non-Executive Non-Independent Director	22,500	Input info here	Input info here	Input info here	2,915	500	24,705	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
8	Lee Tuan Meng	Independent Director	48,000	Input info here	Input info here	Input info here	Input info here	1,250	49,250	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

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

Practice 8.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board feels that by disclosing such details would perturb internal salary equity and may also attract unnecessary head-hunting activities from competitors which will ultimately have an impact on the Group's operations.	
		Employee benefits of the Group and the Company has been disclosed in totality on page 138 (Notes 32) of the Company's Annual Report 2022.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Chairman of the Audit Committee, Mr Lee Tuan Meng, is not the Chairman of the Board, so as not to impair the objective of the Board's view of the Audit Committees' findings and recommendations.</p> <p>Details of the composition and activities of the Audit Committee are set out in the Audit Committee Report at pages 62 to 64 of the Company's Annual Report 2022.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>As of to-date, none of the Audit Committee members is a former key audit partner of the Company's external auditor.</p> <p>The policy on observation of a cooling-off period of at least 3 years for a former audit partner of the external auditors' firm prior to the appointment as a member of Audit Committee, was incorporated in the Terms of Reference of Audit Committee as the Audit Committee recognise the importance to uphold independence.</p> <p>A copy of the Terms of Reference of Audit Committee is available on the Company's website.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit Committee assessed the suitability and independence of the external auditors through a series of procedures annually and is based on the following criteria:-</p> <ul style="list-style-type: none">i) Staff Strengthii) Manpoweriii) Expertiseiv) Cost Effectiveness <p>During financial year 2022, the AC met with the External Auditors twice without the presence of the Executive Directors and Management to discuss their audit findings in relation to the Group's financial statements and any other observations they might have during the audit process.</p> <p>The Audit Committee would obtain the assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. The AC was satisfied with External Auditors' technical expertise, independence, competency and reasonable fee. For the financial year 2022, there is no non-audit service rendered by the External Auditor. As such, the Audit Committee ensures that the independence and objectivity of the External Auditors are not compromised.</p> <p>Based on the outcome of the annual assessment of External Auditors, the Board had on 7 April 2022 through the Audit Committee assessed the suitability and independence of the External Auditor and recommended the re-appointment of External Auditors for the financial year 2022 to the shareholders for approval at the 13th Annual General Meeting held on 25 May 2022 which the External Auditors were re-appointed for the ensuing year.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The Audit Committee comprise solely of Independent Directors.

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Audit Committee comprises members from various background and expertise and their profile of which is disclosed in the Directors' profile on pages 14 to 17 of the Company's Annual Report 2022.</p> <p>The Audit Committee is financially literate and has attended relevant professional development courses to keep themselves updated with new developments in accounting and auditing standards, practices and rules.</p> <p>Details of the training programmes attended by each member of the Audit Committee were set out on pages 50 and 51 of the Company's Annual Report 2022.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The board has established the risk management and internal control framework. Risk Management Committee ("RMC") which comprises key management has been set up to oversee and ensure the effective implementation of the Enterprise Wide Risk Management Framework.</p> <p>A structured process has been established to identify and assess risks. Chief Financial Officer, as risk facilitator, together with RMC are responsible for managing risks and implementing applicable action plans to mitigate risk. RMC meets once in every 6 months to deliberate on the findings and recommendations of risk assessments. A structured framework has also been in place to assess the effectiveness of internal control of the Group.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Statement of Risk Management and Internal Control (“SORMIC”) is disclosed on pages 65 to 67 of the Company’s Annual Report 2022.</p> <p>Key features of the framework, as well as a discussion of the key risk areas faced by the Group and their action plans are covered in the SORMIC.</p> <p>Assurance has been made by the President/Chief Executive Officer and Chief Financial Officer with regards to the adequacy and effectiveness of internal control of the Group.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company's internal audit function is outsourced to a professional external party, Tricor Axcelasia Sdn Bhd ("Tricor Axcelasia") to assist the Audit Committee in the discharge of its duties and responsibilities. The role of the outsourced internal audit function is to provide independent and objective reports on the organisation's management, records, accounting policies and internal control to the Audit Committee. The outsourced internal auditors report directly to the Audit Committee on a quarterly basis during the Audit Committee meeting.</p> <p>Internal audits include evaluation of processes where significant risks are identified, assessed and managed. Such audits also ensure that instituted controls are appropriate, effectively applied and achieve acceptable risk exposures consistent with the Company's risk management and internal control framework. The outsourced internal auditors would advise the Management on areas for improvement and would subsequently carry out follow-up review on the status to which its recommendations have been implemented. The internal audit reports which contained the relevant audit finding and recommendations are submitted to the Audit Committee for deliberation. The Audit Committee meets with the internal auditors at least four times a year to review the internal audit function and to assure itself on the soundness of internal control system</p> <p>The Audit Committee would review on the adequacy of the scope, functions, competency and resources of the outsourced internal audit functions. The Audit Committee also review the internal audit plan of the Group with clear scope of audit and request the outsourced internal auditors to carry out audits based on the audit plan.</p> <p>The Company has policy and the assessment checklist for evaluating the outsourced Internal Auditors. The assessment of the Company's Internal Auditors was carried out by the Audit Committee on 22 November 2022.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>Tricor Axcelasia Sdn Bhd (“Tricor Axcelasia”) and it assigned personnel is free from any relationships or conflict of interest or undue influence of others to override professional and business judgment, which could impair its objectivity and independence. The independence of the internal audit function is derived from its direct reporting and unencumbered access to the Audit Committee.</p> <p>Tricor Axcelasia (Internal Audit under Strategic Business Advisory Division) is headed by its director, Mr. Chang Ming Chew, who is a Certified Internal Auditor and a Professional member of the Institute of Internal Auditors Malaysia and the Association of Chartered Certified Accountants (UK).</p> <p>All internal audit personnel assigned by Tricor Axcelasia to perform internal audit assignments for the Company are required to make a written declaration that they do not have any relationships or conflict of interest with the Company, which could impair their independence and objectivity. Based on these written declarations, nothing has come to the Company attention to indicate that the internal audit personnel assigned by Tricor Axcelasia had any relationships or conflicts of interest with the Company, which could impair their independence and objectivity for those internal audit assignments performed during the financial year ended 31 December 2022.</p> <p>Typically, Tricor Axcelasia will assign 4 personnel to conduct the internal audit fieldwork.</p> <p>The Outsourced IA performed its work in accordance with a recognised framework.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board ensures the Company announces its quarterly results and other necessary announcements on a timely basis to the shareholders. This is important in ensuring equal and fair access to information is provided to the public investors, so that the investors are able to make informed decisions.</p> <p>The Board also ensures stakeholders are given the opportunity to speak and seek clarification during the Company's Annual General Meeting for effective and transparent communication with its stakeholders.</p> <p>Investor relations activities such as meetings with substantial shareholder and potential shareholder are attended by the President/Chief Executive Officer and Chief Financial Officer. The Company also has a website at www.focus-point.com.my as an avenue for dissemination of corporate and financial disclosures. The shareholders and investors are encouraged to access the Company's corporate website to obtain the latest information, announcements and other corporate disclosures of the Company from time to time.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company dispatched the Notice of 13th Annual General Meeting together with a copy of the Annual Report to the shareholders on 26 April 2022 i.e., 28 days before the Annual General Meeting held on 25 May 2022, and it complied with the 21 days' notice requirement under the Companies Act 2016. This would allow the shareholders to make the necessary arrangements to attend the Annual General Meeting in person or through corporate representatives, proxies or attorneys.</p> <p>The notice of 13th Annual General Meeting included the resolutions to be tabled during the said meeting and is accompanied with explanatory notes and background information where applicable, to shed clarity on the matters that will be decided at the Annual General Meeting to allow the shareholders to make informed decisions in exercising their voting rights.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	All Directors except for the past Chairman of the Board, Dato' Suhaili Bin Abdul Rahman attended the Company's 13 th Annual General Meeting held on 25 May 2022. The Chairman of the Audit, Nomination and Remuneration Committees were present to provide response to any questions addressed to them.	
		An Extraordinary General Meeting held on 15 December 2022 was attended by all Directors.	
		Mr Leow Ming Fong @ Leow Min Fong who has held the Chairman position previously was elected to chair the 13th AGM held on 25 May 2022.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company’s 13 th Annual General Meeting (“AGM”) and Extraordinary General Meeting (“EGM”) were conducted at physical location on 25 May 2022 and 15 December 2022 respectively and there is no facilitation for remote shareholders’ participation at the general meetings.	
		The Company has ensured that the location of the general meetings was at a venue that easily accessible by the shareholders and their proxies to enable shareholders’ participation at general meeting.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: The Directors, President/CEO and senior management were present to provide response to any questions addressed to them during the 13 th AGM and EGM. Shareholders and proxies were given sufficient opportunity and time to pose their questions during the AGM. All questions and answers raised during the 13 th AGM together with the Minutes of said AGM were published on the Company’s website within 30 business days of the AGM.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

Practice 13.5

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

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.

Application	:	Not applicable – only physical general meetings were conducted in the financial year	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The minutes of the 13th Annual General Meeting (“AGM”) of the Company was made available to shareholders by posted in the Company’s website within 30 days after the AGM.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

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

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

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