

## **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : **8117**  
**COMPANY NAME** : **POLY GLASS FIBRE (M) BHD**  
**FINANCIAL YEAR** : **28 FEBRUARY 2021**

### **OUTLINE:**

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

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

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

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

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

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

### **Intended Outcome**

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

### **Practice 1.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors regularly review the strategic direction of the Company and the progress of the Group's operations taking into account the changes in business environment and risk factors.</p> <p>The Board had delegated the management of the Group to Executive Directors and management team. The Executive Directors are responsible for implementing the policies and decisions of the Board, overseeing day to day operations as well as coordinating the development and implementation of business and corporate strategies.</p> <p>The Non-Executive Directors ensure that the strategies proposed by the Management are fully deliberated and examined, taking into account the long term interest of the stakeholders including contributing to the formulation of policy and other decision-making process through their expertise and 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**

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

**Practice 1.2**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	Mr. Fong Wern Sheng is the Chairman of the Board and the role of Chairman is stated in the Board Charter which is available on <a href="http://www.polyglass.my">www.polyglass.my</a> .
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 1.3**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	Mr. Fong Wern Sheng is the Chairman of the Board. The role of CEO is currently vacant and the Board is looking for a suitable candidate to fill that role. In absence of the CEO, the Chairman is assisted by the Executive Directors and senior management team to run day to day operation.
<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 board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	Our Company Secretary has the requisite credentials, and is qualified to act as company secretary under Section 235(2) of the Companies Act 2016 and undertake continuous professional development.
<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 1.5**

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>All Directors are to receive copies of Board Papers and agenda items at least seven (7) business days in advance of the Board meeting.</p> <p>Directors are entitled to request and receive such additional information as they consider necessary to support informed decision-making. Any Director has the authority to seek any information he/she requires from any employee of the Group and all employees must comply with such requests.</p> <p>All Directors shall have access to the advice and services of the Company Secretary. Any Director may seek independent legal, financial or other advice as they consider necessary.</p> <p>Full Board minutes of each Board meeting are kept at the registered office of the Company and are available for inspection by any Director during office hours.</p> <p>The minutes of meetings shall accurately reflect the deliberations and decisions of the Board, including whether any Director abstained from voting or deliberating on particular matter.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 2.1**

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has adopted a Board Charter which sets out the role, functions, compositions, operations and processes of the Board. The Charter provides guidance to the Board in relation to the Boards role, duties and responsibilities and authority.</p> <p>The Board will review the Board Charter regularly to ensure it remains consistent with the Board's objectives and responsibilities.</p> <p>The Board Charter are posted on our website at <a href="http://www.polyglass.my">www.polyglass.my</a>.</p>
<b>Explanation on departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 3.1**

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has established the Corporate Code of Conduct ("Code") and published it on the Company's website. It would be periodically reviewed and updated in accordance with the needs of the Company. The Code sets out the standards which the Directors are expected to comply in relation to the affairs of the Company's businesses when dealing with each other, shareholders and the broader community.</p> <p>The Code is published on the Company's website at <a href="http://www.polyglass.my">www.polyglass.my</a>.</p>
<b>Explanation on departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**Intended Outcome**

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

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

**Practice 3.2**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Board has established the Whistle Blowing Policy and published it on the Company's website, <a href="http://www.polyglass.my">www.polyglass.my</a> .
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 4.1**

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>	:	Our Board has three (3) Executive Directors, three (3) Independent Non-Executive Directors.
<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 4.2**

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 justify and seek annual shareholders' approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.

<b>Application</b>	:	Applied – Annual shareholders' approval for independent directors serving beyond 9 years.
<b>Explanation on application of the practice</b>	:	Annual Shareholders' approval were obtained for Independent Non-Executive Directors who served the Board for a cumulative term of more than 9 years.
<b>Explanation for Departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 4.3 – Step Up**

The board has a policy which limits the tenure of its independent directors to nine years.

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

**Intended Outcome**

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

**Practice 4.4**

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Appointment of Board and Senior Management are based on objective criteria, merit and besides gender diversity, due regard are placed for diversity in skills, experience, age and cultural background.</p> <p>The Board pursues diversity in both the Board level and Senior Management.</p> <p>The Board recognises a diverse Board in the Company and/ or the Group could offer greater depth and breadth compared to non-diverse Board whilst the diversity at Senior Management will lead to better decision making.</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 4.5**

The board discloses in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for Departure</b>	:	The Board does not have a specific policy on setting targets on the number of women representatives on the Board of the Company.
		Nomination Committee (NC) will evaluate the policy as and when it deemed fit.
<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 4.6**

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 utilizes independent sources to identify suitably qualified candidates.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The NC would consider candidates proposed by the existing board members, and within the bounds of practicability, by any other senior executive, Director or major shareholder. The NC may also utilise independent sources including directors' registry, industry and professional association, open advertisements and independent search firms to identify suitably qualified candidates.
<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 4.7**

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>	:	The Board recognises the need for Chairman of NC to be independent to ensure objectivity and independent judgement during deliberations  The NC is chaired by an Independent Director.
<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 form an opinion on the overall effectiveness of the board and individual directors.

### Practice 5.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committee and each individual director. The board should disclose how the assessment was carried out and its outcome.

For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NC reviews annually the required mix of skills and experience of the Board, including core competencies which non-executive directors should bring to the Board and assesses the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual director.</p> <p>The evaluation process is led by the Chairman of the NC and supported by the Company Secretary annually. The Directors complete the relevant questionnaires regarding the effectiveness of the Board and its Board committees. The assessment by all Directors are summarised and disclosed at the NC's meeting and reported at a Board meeting by the Chairman of the NC.</p> <p>For the financial year ended 28 February 2021, the NC has reviewed and assessed the mix of skills and experience of the Board including the core competencies of both Executive and Non-Executive Directors, size of the Board, contribution of each director and effectiveness of the Board and Board Committees and also evaluated the level of independence of the Directors. Based on the assessment, the NC was satisfied with the existing Board composition in terms of gender, ethnicity and age, and was of the view that all the Directors and Board Committees of the Company have discharged their responsibilities in a commendable manner and have performed competently and effectively.</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.

### Practice 6.1

The board has in place 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 policies and procedures are periodically reviewed and made available on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Remuneration Committee comprises all Independent Non-Executive Directors as follows: Mr. Khoo Kah Hock Independent Non-Executive Director (Chairman) Mr. Sia Taik Hian Senior Independent Non-Executive Director Encik Omar Bin Mohamed Said Independent Non-Executive Director</p> <p>The Remuneration Committee shall be responsible for developing the remuneration policy and determining the remuneration packages for Executive Directors of the Company.</p> <p>However, the Group's remuneration policies and procedures are not made available on the Company's website as the Board is of the opinion that such policies and procedures are not necessarily for public knowledge.</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.

### Practice 6.2

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 Company's policy on Directors' remuneration is to attract and retain the Directors of calibre needed to manage the business of the Company and to align the interest of the Directors to those of the shareholders.</p> <p>The performance of the Executive Directors is measured based on the achievements of their annual Key Performance Indicators (KPIs). These KPIs comprise not only quantitative targets, such as revenue and profit growth, but also qualitative targets which include strategic milestones and initiatives that need to be achieved.</p> <p>The determination of the remuneration of each Non-Executive Director is decided by the Board as a whole, with individual Directors abstaining from decision in respect of their individual remuneration.</p> <p>The Terms of Reference for the Remuneration Committee is made available on the Company's website at <a href="http://www.polyglass.my">www.polyglass.my</a>.</p>
<b>Explanation for Departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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 7.1

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

<b>Application</b>	:	Applied																																			
<b>Explanation on application of the practice</b>	:	<p>For the financial year ended 28 February 2021, the aggregate of remuneration received and receivable by the Executive Directors and Non-Executive Directors of the Company and the Group categorized into appropriate components are as follows:</p> <table border="1"><thead><tr><th>Directors</th><th>Remuneration RM</th><th>Fees RM</th><th>Other emoluments RM</th><th>Benefits-in-kind RM</th></tr></thead><tbody><tr><td>Fong_Wern Sheng</td><td>427,133</td><td>-</td><td>-</td><td>14,886</td></tr><tr><td>Tan Ming Chong</td><td>352,651</td><td>-</td><td>-</td><td>7,349</td></tr><tr><td>Fong Wah Kai</td><td>295,528</td><td>-</td><td>-</td><td>1,951</td></tr><tr><td>Sia Taik Hian</td><td>-</td><td>8,400</td><td>2,200</td><td>-</td></tr><tr><td>Omar Bin Mohamed Said</td><td>-</td><td>8,400</td><td>2,200</td><td>-</td></tr><tr><td>Khoo Kah Hock</td><td>-</td><td>8,400</td><td>2,200</td><td>-</td></tr></tbody></table>	Directors	Remuneration RM	Fees RM	Other emoluments RM	Benefits-in-kind RM	Fong_Wern Sheng	427,133	-	-	14,886	Tan Ming Chong	352,651	-	-	7,349	Fong Wah Kai	295,528	-	-	1,951	Sia Taik Hian	-	8,400	2,200	-	Omar Bin Mohamed Said	-	8,400	2,200	-	Khoo Kah Hock	-	8,400	2,200	-
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**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 7.2**

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>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The detailed remuneration on a named basis of top three (3) Senior Management who also are Executive Directors have been disclosed in the CG Report in Practice 7.1.</p> <p>The Board is of the view that it is inappropriate to disclose the names and detailed remuneration of Senior Management personnel other than the Executive Directors given the competitive human resources environment as such disclosure may give rise to recruitment and talent retention issue.</p> <p>All Senior Management are remunerated based on their scope of duty and responsibilities, the Group's and individual performance.</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 7.3 – Step Up**

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

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

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 8.1**

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 Mr. Fong Wern Sheng while the Chairman of the Audit Committee ("AC") is Mr. Sia Taik Hian and they are not related to one another. Mr. Sia Taik Hian is also an Independent Non-Executive Director of the Company, therefore, Paragraph 15.10 of the Main Market Listing Requirements is complied with.
<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 8.2**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	No former key audit partners of the present and former external auditors have been appointed to the Board or employed by the 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**

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 8.3**

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AC assesses the suitability and independence of the external auditors and annually recommends their re-appointment to the Board, who will then seek the shareholders' approval at the AGM.</p> <p>The external auditors declare their independence annually in accordance with the By-Laws (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants.</p>
<b>Explanation for Departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 8.4 – Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	By the AC's Terms of Reference, AC members are appointed by the Board from amongst the Board members and consist of solely three (3) Independent Non-Executive Directors.

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 8.5**

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The members of the AC possess the necessary mix of skills and experience to discharge their duties and are financially literate.</p> <p>The profiles of the AC members are provided in the Company's Annual Report.</p> <p>The training programmes that the AC members have attended during the financial year are disclosed in the Company's Annual Report.</p>
<b>Explanation for Departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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 9.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Group has in place an effective risk management and internal control framework to identify and evaluate the risks faced by the Group and thereafter, to implement and monitor appropriate internal control to manage and mitigate those risks.  The information on risk management and internal control are set out in the Company's Annual Report.
<b>Explanation for Departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Companies 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 9.2**

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>	:	<p>The Statement of Risk Management and Internal Control is disclosed in the Group's annual report.</p> <p>Attestation has been made by the Board with regards to the adequacy and effectiveness of the framework.</p> <p>The features on risk management and internal control are set out in the Company's Annual Report.</p>
<b>Explanation for Departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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 9.3 – 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>	:	Not Adopted
<b>Explanation on the adoption of the practice</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 10.1**

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>	:	The information on the Audit Committee's assessment on internal audit function is set out in the Company's Annual Report.
<b>Explanation for Departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 10.2**

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 recognized framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The information on internal audit functions is disclosed in the Company's Annual Report.
<b>Explanation for Departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**Intended Outcome**

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 11.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	Information is made available to the shareholders and investors through the Annual Reports, the various disclosures and announcements made to Bursa Securities and the Company's corporate website. The Annual General Meeting provides the principal platform for dialogue and interactions with the shareholders. For more details, please refer to the CG Overview Statement in the Annual Report.
<b>Explanation for Departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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 11.2**

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

<b>Application</b>	:	Not applicable as the Company is not a Large Company as defined by the Malaysian Code on Corporate Governance.
<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 12.1

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

<b>Application</b>	:	Applied																								
<b>Explanation on application of the practice</b>	:	<p>In compliance with the Companies Act 2016, Bursa's Listing Requirements and the Constitution of the Company, the notice of Annual General Meeting ("AGM") is despatched to shareholders at least 21 days before the AGM. Such Notice of AGM is also circulated in a nationally circulated newspaper alongside an announcement on the website of Bursa Securities.</p> <p>Company's past Notice of AGMs are summarised as follows: -</p> <table border="1"><thead><tr><th>Financial Year Ended 28 February</th><th>Date of Issue</th><th>Date of AGM</th><th>No of Days</th></tr></thead><tbody><tr><td>2017</td><td>30 June 2017</td><td>28 July 2017</td><td>28 days</td></tr><tr><td>2018</td><td>29 June 2018</td><td>27 July 2018</td><td>28 days</td></tr><tr><td>2019</td><td>28 June 2019</td><td>29 July 2019</td><td>30 days</td></tr><tr><td>2020</td><td>29 July 2020</td><td>28 August 2020</td><td>30 days</td></tr><tr><td>2021</td><td>28 July 2021</td><td>27 August 2021</td><td>29 days</td></tr></tbody></table>	Financial Year Ended 28 February	Date of Issue	Date of AGM	No of Days	2017	30 June 2017	28 July 2017	28 days	2018	29 June 2018	27 July 2018	28 days	2019	28 June 2019	29 July 2019	30 days	2020	29 July 2020	28 August 2020	30 days	2021	28 July 2021	27 August 2021	29 days
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<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 12.2**

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>All Directors were present at the 30th Annual General Meeting in person to engage directly with the shareholders.</p> <p>At the 30th AGM, the Chairman invited shareholders to raise questions pertaining to the Company's financial statements and other items for adoption at the meeting, before putting a resolution to vote. The Directors, Management and external auditors were in attendance to respond to the shareholders' queries, where 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**

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

**Practice 12.3**

Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate-

- including voting in absentia; and
- remote shareholders' participation at General Meetings..

<b>Application</b>	:	Not applicable as all of the Company's past general meetings were held in reputable hotels within the capital city limit and not in remote location.
<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>	:	

**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.*