

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0189
COMPANY NAME : MATANG BERHAD
FINANCIAL YEAR : June 30, 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board Charter of Matang Berhad ("Matang" or "Company") sets out the roles and responsibilities of the Board of Directors ("Board"), amongst others,:</p> <ol style="list-style-type: none">1. to provide overall strategic guidance for the Company and effective oversight of the management.2. to ensure that the activities of the Company comply with its constitution, from which the Board derives its authority to act, and monitor the Company's performance to create sustainable value for shareholders in a sustainable manner. <p>The Board and the Company aim to create value for the shareholders through growth and development from its existing operations in particular the plantation estate of the Company in Ledang and Segamat districts, Johor ("Matang Estate").</p> <p>This is done through various means that include but not limited to expansion with the acquisition of suitable estates, plantations and/or new land bank for oil palm and durian as well as diversification into sectors which is/are deemed viable, sustainable and beneficially for Matang group of companies ("Matang Group" or the "Group").</p> <p>To achieve the above, for financial year ("FY") 2021:</p> <ol style="list-style-type: none">1. The Company and its management ("Management") under the guidance of Durian Project Committee ("DPC") chaired by Datuk Teoh Sew Hock ("Datuk Jason Teoh") and oversight by the Board chaired by Dato' Foong Chee Meng ("Dato' Foong") has undertaken the following in relation to the diversification into Durian Business:

	<p>a. completed successfully the development of first durian plantation of the Group measuring 46.6 hectares (“ha”) (“DP1.0”), i.e., including planting and grafting 4,092 durian seedlings; and</p> <p>b. embarked on the development of second durian plantation measuring 58.01 ha (“DP2.0”) in June 2021 with the appointment of contractor on 28 June 2021 to undertake the land preparation and earthworks.</p> <p>2. The Company has also achieved production yield of fresh fruit bunches (“FFB”) which is above par in FY2021 in comparison with industry average for the same period. Notably, Matang’s FFB yield for FY2021 was 19.19 tonnes per ha (despite being a slight decrease from 20.13 tonnes per ha) is higher than the average yield of 18.78 tonnes per ha for Johor and 16.04 tonnes per ha for Malaysia from 1 July 2020 to 30 June 2021.</p> <p>3. The Company has also completed two private placement exercises that raised a total of RM40.11 million, i.e.,:</p> <p>a. RM20.05 million from private placement of 181 million Matang shares to Huaren Holdings Sdn Bhd, a major shareholder of the Company, at an issue price of RM0.1108 per share (“Private Placement I”); and</p> <p>b. another RM20.05 million from the placement of another 181 million shares to third party investors.</p> <p>The private placements have been completed and its primary purposes are for the Group’s utilisation in expansion by way of acquisition of oil palm plantations, durian plantations and or new land bank for both oil palms and durians as well as for working capital in connection with the acquisition and development of oil palm and durian plantations.</p> <p>4. The Group has managed to continue with the successful certification of Malaysian Sustainable Palm Oil (“MSPO”) for its Matang Estate following completion of surveillance audit by the relevant certification body.</p> <p>Further details to the above measures have been included in the Management Discussion and Analysis in the Annual Report of the Company for financial year ended 30 June 2021 (“Annual Report 2021”).</p> <p>The Board delegates specific responsibilities to the relevant Board Committees, i.e., Audit and Risk Management Committee (“ARMC”), Nomination Committee (“NC”) and Remuneration Committee (“RC”).</p> <p>The Board also reviews and challenges the management’s proposals tabled as well as undertaking comprehensive deliberations amongst the Board members on the proposals. Often, the views and opinions of the</p>
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	<p>ARMC in respect of the management’s proposals in particular in the event of commercial, financial and legal matters being involved, are also sought.</p> <p>The Board also delegates to the ARMC to independently evaluate the adequacy of risk management and internal controls of the Group. In addition, the Company has in FY2021 formalised the establishment of Integrity Committee under the purview of ARMC to ensure the Group’s compliance in respect of adequate procedures pursuant to the Anti-Bribery and Anti-Corruption (“ABAC”) Policy of the Group, the policy of which was formalised in May 2020.</p> <p>The Board delegates the responsibilities and tasks of reviewing the management’s performance, evaluating the performance of Board and Board Committees, reviewing the candidates for new appointment as well as succession planning to the NC. The terms of reference for the Board Committees can be found on the website of the Company, www.matangbhd.com.</p> <p>The Board delegates the responsibilities of and task of reviewing and recommending from time to time the remuneration level for Executive Directors and the Senior Executive, i.e., including Chief Executive (if any), Chief Operating Officer and Chief Financial Officer. In addition, the Remuneration Committee also reviews and recommends the management’s proposal for Directors’ fees and Directors’ benefits before management’s tabling for approval of the Board.</p> <p>The Group also has in place the Management Committee (“MC”) currently made up of two Executive Directors of the Company, Chief Financial Officer (“CFO”) cum Chief Operating Officer (“COO”) and the Head of Corporate Services and Finance. The chairman of the MC is Datuk Ir Low Ah Keong (“Datuk Ir Lawrence Low”) and the MC sits on monthly basis to deliberate and decide on operational, strategic and management matters of the Group as well as to monitor the progress of matters deliberated and approved by the Board.</p> <p>The MC is also guided by the DPC for advice on operational and execution matters in relation to the durian plantations and the Durian Business as well as by Special Property Committee (“SPC”) which is broadly entrusted by the Board to undertake the evaluation of any opportunities and/or proposals for diversification into property development by Matang Group at appropriate time where shareholders’ approval shall then be sought.</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>	

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 1.2

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 of the Company is headed by Dato' Foong Chee Meng ("Dato' Foong" or "Chairman") who is primarily responsible for the orderly conduct of the Board, in particular, for the deliberation and decision making of the Board in all Board meetings of the Company.</p> <p>In accordance with the Board Charter, the Chairman ensures that Board is responsible for and accordingly functions, deliberates and decides on:</p> <ol style="list-style-type: none">1. providing guidance, reviewing and approving strategic plans and performance objectives;2. monitoring financial performance of the Company and approving quarterly and yearly financial reports;3. reviewing and approving major capital expenditure, capital management, major acquisitions and divestment and material commitments;4. declaring interim dividend and recommendation of final dividend for shareholders' approval;5. establishing committees and policies as to facilitate more effective discharge of the Board's roles and responsibilities;6. ensuring with the assistance of Board committees, appropriate functions, compliance and obligations are effectively discharged;7. reviewing and approving recommendations made by various Board committees;8. overseeing and reviewing systems of internal control/compliance, risk management and control and legal compliance of the Company to ensure that they are operating effectively;9. appointing and if appropriate, removing directors and company secretary;

	<p>10. approving succession plans, including appointing and training of directors and senior management;</p> <p>11. approving remuneration policies for directors; and</p> <p>12. ensuring effective communication and reporting to shareholders to ensure they are informed of the performance and major developments of the Company.</p> <p>Dato' Foong attended all six (6) Board meetings held during FY2021. A number of these meetings involved amongst others, deliberations of management's proposals for operations and implementation of the same, strategic directions and plans, fund raising including private placements, budget planning, evaluation of potential acquisitions as well as the implementation and execution of the Diversification/Durian Business. The Chairman leads the Board meetings and discussions and encourages participation from all Board members.</p> <p>With the assistance of the Company Secretaries, the Chairman reinforces the importance of good governance in the functioning of the Board including but not limited to implementation of thorough and objective deliberations of management, expansion and corporate proposals and all associated merits and risks.</p> <p>In addition, the Chairman ensures that all Board members has equal access to advice of professionals including but not limited to the Company Secretaries, Internal Auditors and External Auditors for any issues and questions encountered in the functioning of the Board. The Chairman ensures that all Board members have equal opportunities to raise their concerns and questions to the Management any proposals as well as major operational matters tabled by the Management.</p> <p>The profile of the Chairman can be found in the Directors' Profile of the Annual Report 2021.</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 1.3

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

Application	:	Applied	
Explanation on application of the practice	:	The position of the Non-Executive Chairman of the Company was held by Dato' Foong. The Management of the Company was led by Datuk Ir. Lawrence Low, an Executive Director of the Company who is also the Chairman for the MC of the Company. The positions and roles of the Chairman and the Executive Directors are separate, with clear division of functions and responsibilities and balance of power and authority between them. The role of the Chairman has been set out in the Board Charter while the roles and responsibilities of the Executive Directors are set out in the Terms of Reference of the Executive Directors as well as in the Term of Reference for the MC, both of which have been approved by 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

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by two (2) qualified and competent Company Secretaries who are members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and registered with the Registrar of Companies under Section 241 of the Companies Act 2016. The Board of the Company has direct access to the advices and services of the Company Secretaries.</p> <p>At least one of the Company Secretaries attended all Board and Board Committee meetings and general meetings. In addition, the Company Secretaries also regularly update and advise the Board and the Management on any new statutory and regulatory requirements in connection with discharging the duties and responsibilities of the Directors and the Management.</p> <p>The Company Secretaries do not hold any directorship and do not have any family relationship with any of the Company's Directors or major shareholders of the Company and have no conflict of interest whatsoever in the Group.</p> <p>The details of the Company Secretaries can be found under Corporate Information in Page 2 of the Annual Report 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

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.

Application	:	Applied
Explanation on application of the practice	:	<p>Meetings of the Board and Board Committees are scheduled in advance for the calendar year to enable the Directors and Management to plan ahead. Notice of Board and Board Committees meetings of the Company are circulated to the Directors / Board Committee members at least seven (7) days before the scheduled meeting dates save as provided under the Constitution for emergency circumstances (i.e., for special Board meetings) where reasonable notice of meeting shall be sufficient.</p> <p>For FY2021, meeting materials for the Board and Board Committees of the Company have been circulated all in advance via electronic mails to the Directors and members of the relevant Board Committees of the Board in advance of the meetings. Where physical meetings are held, the printed meeting papers are also disseminated to the Board members and Board Committees members.</p> <p>The deliberations and decisions at Board meetings are properly documented in the minutes, including matters where Directors abstained from voting or deliberation. Minutes of the preceding meetings of the Board and Board Committees were also circulated to the members of the Board and Board Committees respectively prior to the succeeding meeting in which the minutes shall be discussed and approved.</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 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 Board Charter (which is published on the website, www.matangbhd.com) of the Company is available for review and updated where required, from time to time depending on the appropriate needs of the Company.</p> <p>The Board Charter sets out, amongst others, the roles and responsibilities of the Board, Board Committees, Directors and Management as well as specific matters for which decisions or approvals of the Board are required or ought to be sought by the Management prior to implementation.</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 3.1

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 Board of the Company has in 2017 approved the Code of Ethics and Conduct for Directors and Employees and the same being amended on 20 May 2020 to include effects of the requirements on the Company pursuant to adequate procedures for mitigating corporate liability under the Section 17A of the Malaysian Anti Corruption Commission Act 2009 (Amendment 2018) ("MACC Act").</p> <p>The Code of Ethics and Conduct for Directors and Employees include guidance and ethics required of the Directors and the employees of the Company in avoiding and where applicable dealing with conflicts of interest, confidentiality and fair dealing, use of corporate assets and company funds and reporting of illegal or unethical behaviours.</p> <p>Other areas required to be observed include a general standard of conduct expected as well as compliance with rules, laws and regulations. The Company's Code of Ethics and Conduct also include the general policy of the Company towards anti bribery and corruption, the policy of which is to be observed by all employees including Directors of the Group at all times. In FY2021, the Company has also included a more detailed gift policy as part of its ABAC Policy.</p> <p>A copy of the Code of Ethics and Conduct of Directors and Employees are available on the Company's website, www.matangbhd.com.</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 in 2017 approved the Whistle Blowing Policy which has been implemented Group wise. The Whistle Blowing Policy has been modified on 20 May 2020 for adoption to include the effect of the Group’s ABAC Policy. The amended Whistle Blowing Policy of the Company has been re-circulated to all staff within the Group for observation and has also been posted on the website of the Company, www.matangbhd.com.</p> <p>Any stakeholders suspecting any wrongdoings in the Group as listed under the Whistle-Blowing Policy are encouraged to lodge a confidential report in writing to:</p> <p>Audit and Risk Management Committee Chairman Matang Berhad Unit 39.02, Level 39, Menara Multi-Purpose, Capital Square, 8 Jalan Munshi Abdullah, 50100 Kuala Lumpur Malaysia.</p> <p>In addition, the Company has established the Integrity Committee as part of its ARMC, the committee of which is empowered under TOR approved by the Board to primarily, keep track and monitor progress of the Group’s implementation of the adequate procedures pursuant to the MACC Act as well as investigating into any potential breaches (if any) against the MACC Act by any persons or any part of the Group’s operations.</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 4.1

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Matang was incorporated as a special purpose vehicle to facilitate the listing of Matang Holdings Berhad (“MHB”) on the ACE Market on Bursa Malaysia Securities Berhad (“Bursa Securities”). A majority of the Company’s existing shareholders are either residents of Johor or are based in the State of Johor. The current composition of Board which comprises a number of Non-Executive Directors reflects the significant shareholder base of the Company in Johor where a number of the Directors are known to the shareholders from the same state/region.</p> <p>The Company complies with the requirements under Rule 15.02 (1) of the ACE Market Listing Requirements of Bursa Securities where 1/3 of the Board is made up of Independent Directors.</p> <p>The Company continued to ensure that Board decisions and judgements are and will be made independently and objectively by ensuring that the criteria of independence as defined in the ACE Market Listing Requirements are met for the appointment of Independent Directors.</p> <p>All existing Independent Directors in the Company do not play executive role in the Company and hence are able to act independently from the management of the Company and do not participate in any business dealings and are not involved in any other relationship with the Group that may impair their independence.</p> <p>The functioning of Independent Directors in the Company provides the necessary check and balance in the discharge of the Board functions as well as with regards to Management’s proposals and the Independent Directors’ views carry significant weights in all Board deliberations and decision-making.</p> <p>The ARMC of the Company comprises solely of Non-Executive Directors which is in compliance with the ACE Market Listing Requirements. Majority of the ARMC members are Independent Directors with diverse background and relevant experience, i.e., from accountancy and</p>

	<p>finance to legal and corporate as well as management and entrepreneurship.</p> <p>Besides, in ensuring objectivity for major and relevant strategic, operational and management decisions affecting the Company and the Group including but not limited to budget, corporate and fund raising proposals and proposed acquisitions, the Board and/or the Company ensure that:</p> <ol style="list-style-type: none"> 1. prior thorough deliberations have been undertaken by the ARMC of the Company; and 2. relevant recommendations of the ARMC are sought for the Board to deliberate and decide. <p>In addition, to the extent viable, the Board encourages Management's detailed presentation in formal Board meetings which involved deliberations and approvals required of the Board for strategic, corporate proposals and developments as well as fund raising.</p> <p>The Non-Independent Non-Executive Directors were nominated to the Board by the major shareholders but are not themselves substantial shareholders. None of the Directors holds more than 5% of the shares in the Company.</p> <p>The profile of the Directors of the Company including the Directors appointed to the ARMC have been included in Annual Report 2021.</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>Timeframe :</p>	<table border="1" style="width: 100%;"> <tr> <td data-bbox="574 1440 964 1522">Choose an item.</td> <td data-bbox="964 1440 1385 1522"></td> </tr> </table>	Choose an item.	
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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 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.

Application	:	Not applicable - No independent director(s) serving beyond 9 years	
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 4.3 - Step Up

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has in place formal and transparent procedures for the appointment of new Directors and senior executives, the procedures of which are set out under the Board Charter with regards to the purpose, roles and responsibilities of the Nomination Committee.</p> <p>The selection criteria of the candidates to serve as members of the Board includes amongst other things:</p> <ol style="list-style-type: none"> 1. skills, knowledge, expertise and experience 2. professionalism; 3. integrity, and 4. in the case of candidates for the position of Independent Non-Executive Directors, the Nomination Committee would also evaluate the candidates' ability to discharge such responsibilities / functions expected. <p>The selection criteria of candidates to serve as key management member or senior executives of the Company includes amongst other things, integrity, qualifications, experience, aptitude, leadership and ability to exercise sound judgement and possessing acumen relevant to the Company's business.</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

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.

Application	: Applied
Explanation on application of the practice	<p>The Company set out in its Annual Report 2021 the following disclosure with regards to gender diversity.</p> <p>The Board is cognisant of the recommendation under the Malaysian Code on Corporate Governance (or "MCCG") with regards to workforce and boardroom gender diversity.</p> <p>The Company does not restrict any specific gender in filling the workforce gaps so long as the suitable candidates have the merits amongst others, qualifications, experience and aptitude for specific roles or designations in the organisations within the Group.</p> <p>As of 30 June 2021:</p> <ol style="list-style-type: none">1. The Group has 54 male and 10 female employees;2. Of the 54 male employees, a majority of them, i.e., about 85% are workers involved in the fields of the Group's Matang Estate;3. The Group has also 5 female workers for works in the Matang Estate despite the field and harvesting works being predominantly more strenuous and demanding physically;4. Other 5 female employees within the Group are staff either in the office in Matang Estate or in the head office in Kuala Lumpur. <p>The Board, the Company and its subsidiaries evaluate the suitability of candidates for new Directors based on the candidates' integrity, independence, experience, leadership, time commitment, ability to exercise sound judgement relevant to the Company's business.</p> <p>In that regard, the Board considers that the Group has a sufficient diverse pool of employees in terms of gender. However, the Board is desirous to consider gender diversity in the boardroom and shall embark effort to shortlist additional Directors of different gender mix in its boardroom in future. Nevertheless, the Board views this shall be more aptly looked into and undertaken following and in connection</p>

	with the proposed expansion which the Group is currently undertaking further to the private placement exercises completed in mid 2021.	
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 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 utilises independent sources to identify suitably qualified candidates.

Application	:	Applied
Explanation on application of the practice	:	<p>During FY2021, the Company has not appointed any new Directors.</p> <p>However, the Board Charter provides that:</p> <ol style="list-style-type: none"> 1. the NC is responsible for considering and making recommendations for the appointment of new Directors to the Board considering the appropriate size, functions and needs of the Board; 2. all nominees for positions of new Directors are first considered by the NC before recommendation is made to the Board; <p>the NC has the authority as necessary and appropriate to consult with external professionals/ advisors to assist in their duties to the Company.</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

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.

Application	:	Applied	
Explanation on application of the practice	:	The NC is chaired by Dato' Foong Chee Meng, an Independent Director who is also the Independent Non-Executive Chairman 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

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 committees 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The NC has undertaken by way of questionnaires for annual evaluation of the Board, the Board Committees and individual Directors for FYE 30 June 2021, with the assistance of the Company Secretaries.</p> <p>The criteria assessed include amongst others the following:</p> <ol style="list-style-type: none">1. For Board and Board Committees (including its effectiveness):<ol style="list-style-type: none">a. Board mix and compositionb. Quality of information and decision makingc. Boardroom activitiesd. Board's relationship with the management2. For ARMC and its effectiveness evaluated by the Directors:<ol style="list-style-type: none">a. Quality and compositionb. Skills and competenciesc. Meeting administration and conduct3. For Individual Directors:<ol style="list-style-type: none">a. Fit and properb. Contribution and performancec. Calibre and personality <p>The Board Charter of the Company has provided for the authority and responsibilities of the NC of the Company to conduct annual review of the performance and required mix of skills and experience of all directors to ensure the effectiveness of the Board and Board Committees.</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 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has on 27 August 2018 approved and adopted the Remuneration Policy for Directors and Senior Executives of the Company, the policy of which considers the following amongst others, in setting the remuneration and rewards:</p> <ol style="list-style-type: none">1. the skills, experience and competency of members of Board,2. the complexities of roles, responsibilities and task undertaken; and3. the performance of the Company and/or Group. <p>The Remuneration Policy for Directors and Senior Executives of the Company is available for reference on the Company's website: www.matangbhd.com.</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 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has established its RC and the Terms of Reference of the RC sets out amongst others:</p> <ol style="list-style-type: none">1. the composition of the Remuneration Committee;2. the duties and responsibilities of the Remuneration Committee;3. the authority of the Remuneration Committee; and4. the meeting procedures of the Remuneration Committee. <p>For FYE 30 June 2021, the RC has had 4 (four) meetings which deliberated and recommended to the Board, amongst others:</p> <ol style="list-style-type: none">1. the remuneration in the form of Directors fees for FY2021 and other benefits including Board meetings and Board Committees meeting allowances for period from 1 January 2022 to 31 December 2022;2. the proposed remuneration for Directors who are members of the project committees of the Group, i.e., the DPC and SPC;3. the proposed bonus and increment for Executive Directors and CFO cum COO of the Group. <p>The Terms of Reference of Remuneration Committee of the Company has been made available for reference on the website of the Company, www.matangbhd.com.</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 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.

Application	:	Applied	
Explanation on application of the practice	:	The Company has since Annual Report 2017 adopted the disclosure of the remuneration breakdown of individual Directors based on director fees, salaries and allowances. The same practice has been continued for the Annual Report 2021 and disclosed in the Corporate Governance Overview Statement.	
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 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.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company has decided that to avoid poaching by other organisation, the detailed remuneration of each of the top 5 senior management team are not presented or disclosed.	
		<p>For Matang Berhad, the key senior management team comprises the Executive Directors and the Chief Financial Officer cum Chief Operating Officer ("CFO cum COO"), i.e., in total 3 persons.</p> <p>The disclosure in respect of the remuneration paid in each FY to the Executive Directors has been made in the Corporate Governance Overview Statement pursuant to Practice 7.1 of the MCCG.</p> <p>While as for the CFO cum COO, the Remuneration Committee has been entrusted by the Board to undertake annual review of the remuneration of the same.</p>	
<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

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.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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.

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the Company’s ARMC is Mr Yeo Kwee Kwang (“Mr Yeo”). Mr Yeo, an Independent Non-Executive Director, was formerly a member of the ARMC and has been re-designated as the Chairman of the said Committee with effect from 26 November 2019. Whilst, the Chairman of the Board is Dato’ Foong.	
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 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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company has on 27 August 2018 adopted in the Terms of Reference for the ARMC the requirement for any former key audit partner of the Company to observe a cooling-off period of at least two years before being appointed as a member of the ARMC of the Company.</p> <p>Presently, no member of the ARMC is a former key audit partner of the Group's external auditors.</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 8.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has put in place as part of the Terms of Reference for the ARMC, the duties and responsibilities of the ARMC to amongst others:</p> <ol style="list-style-type: none">1. consider and recommend the appointment of the external auditors, the audit fee, and any questions of independence, as well as resignation or dismissal and inquire into the staffing and competence of the external auditors in performing their work and assistance given by the Company's officers to the external auditors;2. discuss with the external auditors before the audit commences the nature, scope and any significant problems that may be foreseen in the audit, ensure adequate test to verify the accounts and procedures of the Company and ensure co-ordination where more than one audit firm is involved;3. ensure and confirm that the management has placed no restriction on the scope of the audit;4. review and discuss on the evaluation and findings of the system of risk management and internal controls and the audit reports on the financial statements;5. discuss problems and reservations arising from interim and final audits and any matters the auditor may wish to discuss (in the absence of the management where necessary) and the management's response with regards to the problems and reservations arising from their audits;6. Provide a line of communication between the Board and external auditors. <p>For FY 2021, the ARMC had on 24 August 2021 deliberated on the suitability and independence of the external auditors. The external auditors have also provided confirmation of their team's independence on 25 May 2021 and re-iterated on 24 August 2021 when the auditors presented to the ARMC the outcome of the audit of financial statements 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

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.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The ARMC of the Company comprise the following members who are financially literate and whose key experiences are summarised hereunder for reference:</p> <ol style="list-style-type: none">1. Mr Yeo Kwee Kwang ("Mr Yeo"), as the Chairman of the ARMC. Mr Yeo is a professional accountant. He was admitted as a member of the Malaysian Institute of Accountants ("MIA") in 1997 and in 2001, he was certified as Chartered Accountant by MIA. Besides, Mr Yeo is an Associate Member of Malaysian Institute of Taxation since 1998 and Associate Member of Institute of Chartered Secretaries and Administrators of the United Kingdom since 1995.2. Dato' Foong Chee Meng ("Dato' Foong"), as a member of the ARMC, is solicitor who was admitted in the Supreme Court of New South Wales and the Federal Court of Australia in 1989 and has been admitted as Advocate and Solicitor of High Court of Malaya in 1993. Dato' Foong has served in Messrs Baker McKenzie in Sydney, Australia as solicitor and subsequently in Messrs Zaid Ibrahim & Co. from 1996 to 2003 where he became a partner leading the Corporate & Commercial and Foreign Investment practice groups. Dato' Foong currently holds the position of the Managing Partner of Messrs Foong & Partners. He is also currently independent non-executive directors of RHB Islamic Bank Berhad and Kumpulan Jetson Berhad.3. Datuk Teoh Sew Hock ("Datuk Teoh"), a member of the ARMC of the Company since 26 November 2019. Datuk Teoh attended Campbell University, United States, where he obtained a Bachelor of Science Degree in 1994. He

	<p>began his career in 1995 as Managing Director of Local Basic Sdn Bhd, a family-owned business which is involved in manufacturing, assembly and sale of bicycle components, electrical appliances and components in Gelang Patah, Johor.</p> <p>Apart from the family business in which Datuk Teoh is managing, Datuk Teoh has extensive experiences in property development, farming and marketing of swiftlet bird nests, food and beverage businesses. In addition, Datuk Teoh is active in durian plantation business, a segment of business in which the Group has recently diversified into.</p> <p>Mr Yeo has attended the tax budget webinar, i.e., BDO Tax Budget Webinar 2020: Revitalising the Malaysian Economy During Global Pandemic on 18 November 2020. In addition, Mr Yeo and Datuk Teoh have also attended the webinar MCCG Revision 2021: Key Impact and How You Can Transform for the Better organised by Tricor Axcelasia Sdn Bhd on 18 May 2021. Also all Directors including Dato' Foong attended the briefing by our Internal Auditors held on 25 May 2021 in relation to the recent updates and changes to the MCCG with effect from 28 April 2021.</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

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.

Application	:	Applied
Explanation on application of the practice	:	<p>In undertaking the function to establish an effective risk management and internal control framework and system, the Board has delegated the detailed oversight to the ARMC of the Company.</p> <p>Amongst others, the Terms of Reference of the ARMC of the Company include to monitor the Company's performance of internal audit functions and to review and make recommendations on the risk management policies.</p> <p>In particular, the ARMC's duties with regards to internal audit function of the Company also encompasses, <i>inter alia</i>, to consider major findings of internal audit investigations and management's response, and ensure that appropriate actions are taken on recommendations of the internal audit function.</p> <p>The Company has continued its practices of the previous years with the appointment of an independent Internal Auditors, namely, Tricor Axcelasia Sdn Bhd (the succeeding company of NGL Tricor Governance Sdn Bhd) ("Tricor Axcelasia") which has undertaken the internal audit review for FY2021. In discharging its duties and responsibilities, the ARMC had on 24 August 2021 deliberated with the Internal Auditors the key findings and observations made of one of the cycles of the Internal Audit Review for FYE 30 June 2021, i.e., in relation to the review of procurement cycle for the Group.</p> <p>As for the other cycle of the Internal Audit Review, i.e., in relation to the field upkeep and maintenance cycle (other than manuring), the Internal Auditors has undertaken the audit fieldworks in October 2021 (delay of which is due to the implementation of Enhanced Movement Control Order ("EMCO") in Kuala Lumpur and Johor since June 2021) and the report for the shall be tabled for the deliberation of the ARMC in November 2021.</p> <p>The risk management framework, risk profile and risk register form the fundamental reference and/or guidance for the Group to:</p> <ol style="list-style-type: none">1. identify risks affecting the Group,

	<p>2. categorise the risks based on impact and occurrence;</p> <p>3. monitor and manage the risks.</p> <p>The risk profile and risk register for the Group are subject to annual review with the assistance of independent risk management consultant, Tricor Axcelasia. For FY2021, due to the implementation of EMCO since June 2021, Tricor Axcelasia has undertaken the risk workshop and related works in September 2021 with a view for the risk management framework, profile and register to be deliberated in the ARMC meeting scheduled in November 2021.</p> <p>The details in relation to the internal audit review and risk management assessment were included in the Statement of Risk Management and Internal Control of the Annual Report 2021.</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

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.

Application	:	Applied	
Explanation on application of the practice	:	<p>Details on the risk management and internal control framework and reporting of risks as well as controls in place to mitigate and manage those risks are provided under the annual Statement on Risk Management and Internal Control disclosed in the Company's Annual Report 2021.</p> <p>The Statement on Risk Management and Internal Control has also been reviewed by the Company's external auditors and endorsed by the Board.</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 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.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The ARMC of the Company (majority of which is made up of Independent Directors) has been in charge of the oversight of the risk management and internal control effectiveness of the Company with specific functions and duties under its Term of Reference with regards to risk management and internal control.</p> <p>The Terms of Reference of the ARMC is available for reference on the Company's website, www.matangbhd.com.</p>

Intended Outcome

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

Practice 10.1

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 Internal Auditors of the Company is mandated to report directly to the ARMC and accordingly the Committee also:</p> <ol style="list-style-type: none"> 1. review the adequacy of the competency of the internal audit function including scope and resources of the internal audit function; 2. ensure that the internal audit function has the necessary authority to carry out its works. <p>The ARMC assess the independence of the Internal Auditors and accordingly, the Internal Auditors, both the firm, i.e., Tricor Axcelasia and the team leader and members of the assigned audit team who undertakes the Internal Audit Review of the Group made representations (as accordingly disclosed in the Statement of Risk Management and Internal Control) of their independence.</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 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 recognised framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Statement of Risk Management and Internal Control and the Audit and Risk Management Committee Report in the Annual Report 2021 of the Company contains the disclosure on the following in connection with the internal auditors / function of the Company:</p> <ol style="list-style-type: none"> 1. confirmations with regards to conflicts of interest, independence and objectivity; 2. resources of independent internal audit professional firm; 3. name, qualification and profile of the person leading the internal audit; and 4. the summary of the internal audit function framework. <p>Kindly refer to the Annual Report 2021 under headers of:</p> <ol style="list-style-type: none"> 1. Independent Internal Audit Review in Statement of Risk Management and Internal Control; and 2. Summary of Works of the ARMC in relation to Internal Auditors in the ARMC Report. <p>for more details.</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 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company maintains a website, www.matangbhd.com in which it is uploaded with announcements made to Bursa Securities in particular for financial results and corporate development as well as other relevant information about the Company and the Group.</p> <p>In the 6th Annual General Meeting on 25 November 2020 ("AGM"), the Company prepared and made presentation virtually to the shareholders on its operational and financial performance for financial year ended 30 June 2020.</p> <p>Dialogue with the shareholders in addressing questions of the shareholders was also undertaken virtually during the AGM. The records of questions raised and answers provided to questions from shareholders were also posted on the website of the Company, www.matangbhd.com.</p> <p>As with the ACE Market Listing Requirements, when necessary the Company will issue comprehensive circulars to the shareholders to facilitate the seeking of shareholders' approval for relevant matters required under the Listing Requirements. For FY2021, the Company has issued a circular dated 12 May 2021 for seeking shareholders' approval in relation to the Private Placement I.</p> <p>Given the size of shareholder base of the Company, the Board views that annual general meetings and extraordinary general meetings called and conducted will be good opportunities for the shareholders to seek clarifications on the performance and development of the Group.</p> <p>Also considering the number of shareholders of the Company, appropriate press releases or statements as and when necessary may be effective to disseminate information for important matters in line with the manners allowed under the ACE Market Listing Requirements.</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 11.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company has yet to adopt the integrated reporting based on globally recognised framework as the Company is not categorised under Large Companies pursuant to the MCCG.	
<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 12.1

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 notice for the Company's 6th Annual General Meeting ("AGM") held on 25 November 2020 has been circulated to the shareholders on 27 October 2020. The announcement for the 6th AGM notice has been released to Bursa Securities on 26 October 2020 and the same advertised in The Star newspapers on 27 October 2020.</p> <p>The notes to the Notice of the 6th AGM had provided explanations to the resolutions proposed to enable the shareholders to make an informed decision in exercising their voting rights.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 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.

Application	:	Applied	
Explanation on application of the practice	:	At the 6 th Annual General Meeting held on 25 November 2020 virtually, all the Directors including the respective Chairman of the Board Committees, i.e., the ARMC, NC and RC were present. In the said AGM, the Management has also made a presentation to the shareholders of the Company in relation to the performance of the Group for FYE 30 June 2020. Besides the Directors, the Management and external auditors were also in attendance to respond to the shareholders' queries.	
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 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.

Application	:	Applied
Explanation on application of the practice	:	<p>Due to the COVID-19 pandemic in 2020 and in accordance with the Guidance and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia, which has encouraged the conduct of general meetings virtually by the listed issuers, the Company has conducted the 6th AGM on 25 November 2020 as well as the EGM on 28 May 2021 virtually.</p> <p>In conjunction with the virtual AGM and EGM, the Company has leveraged on the Remote Participation and Voting (“RPV”) facilities of its Share Registrar, Tricor Investor and Issuing House Sdn Bhd (“TIIH”) where through its online platform, TIIH Online, the shareholders were able to:</p> <ol style="list-style-type: none">1. attend and participate in the AGM and EGM virtually from any locations with access to internet facilities and coverage;2. raise questions to the Board and the Company before and during the AGM and EGM through the query boxes provided in the RPV; and3. vote in relation to the resolutions to be passed from remote locations.
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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