

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0189
COMPANY NAME : Matang Berhad
FINANCIAL YEAR : June 30, 2022

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES 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 operation and development of its existing operations in particular the plantation estate of the Company in Ledang and Segamat districts, Johor ("Matang Estate" or "Estate"). In addition, the Board envisages the other mean for growth of the Group includes but not limited to the 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") 2022:</p> <ol style="list-style-type: none">1. The Group and its management ("Management") under the oversight of the Durian Project Committee ("DPC") chaired by Datuk Teoh Sew Hock ("Datuk Jason Teoh") and the Board chaired by Dato' Foong Chee Meng ("Dato' Foong") has undertaken the following in relation to the diversification into

Durian Business:

- a. completed successfully the development of first durian plantation of the Group measuring 46.6 hectares (“ha”) (“DP1.0”), i.e., including planting the all the durian seedlings in February 2021. The maintenance works of DP1.0 commenced on 1 March 2021; and
 - b. embarked on the development of second durian plantation measuring 58.01 ha (“DP2.0”) in July 2021 with the appointment of contractor on 28 June 2021 to undertake the land preparation and earthworks. The Phase 1 development works for DP2.0 i.e., for land preparation and earthwork have been completed in 3rd quarter of 2022 with anticipation for all durian seedlings to be planted by end of October 2022.
2. The Company has also completed two private placement exercises in 2021 that raised a total of RM40.11 million, i.e.,:
- a. RM20.05 million from private placement of 181 million Matang shares to Huaren Holdings Sdn Bhd, a major shareholder of the Company (“Private Placement I”); and
 - b. another RM20.05 million from the placement of another 181 million shares to third party investors (“Private Placement II”).

The Private Placement I and Private Placement II have both been completed in 2021 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.

In addition, in 2022, the Company has undertaken another private placement pursuant to the general mandate under Section 75 and 76 of the Companies Act 2016 approved by the shareholders in the 7th Annual General Meeting (“AGM”) of the Company on 24 November 2021 (“Private Placement 2022”). Total proceeds of RM21.09 million has been raised under Private Placement 2022. The primary purpose of the fund raised for Private Placement 2022 was for the future acquisitions of oil palm estates, durian plantations and or new land bank for the plantations of both oil palms and durians.

3. 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>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 2022 (“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 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 FY2022 formalised the adoption of the Directors’ Fit and Proper Policy on 24 June 2022.</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. In FY2022, the NC has specifically reviewed the training needs and matrix of the Company’s Directors. In addition, the NC also evaluated and deliberated on the candidates and selections of new Independent Directors for appointment after the resignation of Mr Yeo Kwee Kwang as Director on 1 January 2022. The NC also reviewed the draft Fit and Proper Policy proposed by the Management before making recommendation to the Board for approval to adopt.</p> <p>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 to RC the responsibilities of and task of reviewing and recommending from time to time the remuneration level for the Executive Directors and the Senior Executive, i.e., including Chief Executive (if any), Chief Operating Officer (“COO”) and Chief Financial Officer (“CFO”). In addition, the RC 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, CFO cum COO and the Head of Corporate Services and Finance. 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>
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	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.	
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 1.2

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;

	<p>9. appointing and if appropriate, removing directors and company secretary;</p> <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 seven (7) Board meetings held in FY2022. A number of these meetings involved amongst others, deliberations of management's proposals for operations and implementation of the same, strategic directions and plans, private placement exercises, quarter results and 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 2022.</p>
<p>Explanation for departure :</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>	

Timeframe	:		
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Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The position of the Independent Non-Executive Chairman of the Company was held by Dato' Foong.</p> <p>The Management of the Company is led by Datuk Ir. Low Ah Keong ("Datuk Lawrence Low"), an Executive Director of the Company who is also the Chairman for the MC of the Company.</p> <p>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.</p> <p>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.</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

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application	: Departure
Explanation on application of the practice	:
Explanation for departure	: <p>At this stage, the Company viewed the contribution of its Chairman, i.e., Dato' Foong important and valuable for detailed deliberation of most of the matters in ARMC and NC.</p> <p>Dato' Foong is an experienced corporate and commercial lawyer and with vast experience in financial and non-financial gained through a large number of corporate exercises he and his firm has taken part in assisting their clients. Dato' Foong also sits on board of a number of public companies including financial institution and insurance company.</p> <p>As such, the Company counted Dato' Foong's contribution in the ARMC critical where detailed deliberations and reviews of the financial and non-financial information as well as the guidance for and scrutiny of the management's proposals and works are important before appropriate views and responses are to be provided to the Board for the quarterly financial results, annual financial statements as well as any corporate and strategic proposals, amongst others.</p> <p>An almost similar situation applies for the Company's NC due to the nature of the said committee dealing with matters encompassing written terms and conditions such as TORs of executive contracts for the Executive Directors and more recently the Fit and Proper Policy of the Company, to give some examples.</p> <p>Although Dato' Foong is also a member of ARMC and the Chairman for NC, he did not dominate any discussions in both committees. Recommendations made by the committees are tabled to the Board for a collective decision by the Board.</p> <p>However, the Board may want to revisit the matters at appropriate</p>

	time to assess if a viable solution can be reached to attempt to adhere to the practice as recommended under the Code.	
<i>The Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The 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 2022.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>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 FY2022, 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 and the Board. Where physical meetings are held, the printed meeting papers are also disseminated to the Board members and Board Committees members on the day of the meetings.</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	:	
<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	:		
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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. 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 Integrity Committee which is a part of the ARMC, 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	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.1

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

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

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

Application	: Applied
Explanation on application of the practice	<p>The Board ensures that the Group conducts its business and operations based on sustainable practices and takes into consideration the factors of environmental, social and governance ("ESG") risks and opportunities, with the focus thus far channelled into forms of EES or economic, environmental and social. As and when necessary, the Board deliberates on key matters that have impact on the sustainability concerns of the Group and provides insight, proposes solutions and or makes decisions for implementation by the Management of the Company.</p> <p>To that end, the operational strategies, tactical plans and in some cases, policy and procedures are considered and put in places to ensure sustainability is always factored into, be it safeguarded or promoted. Key matters involving long term health and sustainability of the Group were also deliberated by Board depending on the severity and or impact of the matters. The Board also provides insight and recommendations on the potential and possible solutions and strategies for some if not all of the sustainability issues.</p> <p>The MC oversees the overall implementation of sustainability efforts and measures especially any requirements under law or required as decision by the Board or any actions/decisions of the MC on the basis of best practices necessary to ensure sustainability. The MC which is made up of comprises two Executive Directors of the Company, the CFO cum COO and the Head of Corporate Services and Finance, sits and deliberates matters of the Group on monthly basis and. The MC also monitors the progress of implementation of any actions or strategies with regards to the sustainability matters of concerns.</p> <p>In addition, the risk management function and the internal audit</p>

	<p>function of the Group which are outsourced by the Company to external/independent parties also place importance on sustainability concerns and highlight to the Board any key risks in relation thereof as and when they encounter the same.</p> <p>More details in relation to some of the key matters under the latest sustainability implementation of the Group are available in the Sustainability Statement in the Company's Annual Report 2022.</p>	
<p>Explanation for departure</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>		

Intended Outcome

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

Practice 4.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company sets out its sustainability strategies, priorities, and performances for key sustainability areas relevant to the Group and reports the same in its annual report, the latest being the Annual Report 2022 which is submitted to Bursa Malaysia Securities Berhad ("Bursa Securities") and announced as a mean to communicate the same to its stakeholders.</p> <p>The annual report is timely posted on the Company's website upon submission and announcement to Bursa Securities where it can be downloaded by the stakeholders. The same can also be found on the relevant announcement page in Bursa Securities website.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board disseminates amongst the members of the Board key updates, trends and information including requirements and developments with regards to sustainability issues and concerns. Besides, Board members also attended trainings, seminars and or conferences.</p> <p>In addition, deliberation with the external risk management consultant appointed by the Company also provides some understandings and up-to-date information on the development of sustainability issues as well as any available mitigations or actions plans which can be undertaken by 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

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

Practice 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board meets at least on quarterly basis. In its meetings, the Board discusses and deliberates matters of sustainability of importance amongst others and also provides suggestions to the Management on solutions as well as action plans and strategies.</p> <p>Besides, critical matters of sustainability will have the Board mandating the Management to act and implement including setting key performance indicators (“KPIs”) for the Management to report on the same to the Board in subsequent meetings of the Board. Some of these KPIs are used for the performance evaluations of the Management including for both the CFO cum COO and the Estate Manager. The Company is the midst of working on including sustainability as one of the performance evaluation criterions of the Board annually.</p> <p>The Management is responsible to implement all sustainability measures as required by the Board and report either periodically (e.g., quarterly) or constantly. The MC holds monthly meetings to amongst others, review and monitor the performances of the Group. The monthly meetings of the MC are also attended by the Estate Manager who reports and updates on the previous month’s and year-to-date performances of the Estate including also progress and developments of the execution of any solutions for critical issues (if any) as well as implementation of sustainability measures.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company undertakes evaluation of its Board members annually where the conclusion of the evaluation are compiled independently and presented by the Company's Company Secretary to the NC annually. The annual evaluation of Director includes amongst others the contribution of Directors in deliberation and decision making of the Board.</p> <p>The NC reviews, evaluates and deliberates on the outcome of the annual evaluation and seek clarifications from the Company Secretary where necessary. The NC reports to the Board on the outcome of the annual evaluation where the Board considers its composition.</p> <p>Annual re-election of Directors is often contingent upon outcome of annual evaluation of Directors including with the outcome of Fit and Proper declaration and evaluation of Directors commencing from 1 July 2022.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.2

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

Application	: 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 ensure that Board decisions and judgements are and will be made independently and objectively by ensuring that the criterions 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 compliant with the ACE Market Listing Requirements. Majority of the ARMC members are Independent Directors with diverse background and relevant experience, i.e., from</p>

	<p>accountancy and 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 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>None of the Directors holds more than 5% of the shares in the Company. The profile of the Directors of the Company including the Directors appointed to the ARMC have been included in Annual Report 2022.</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>		

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company currently does not have any Directors including the Independent Directors who is serving nine years or has served a cumulative term of nine years.</p> <p>The Company has a policy on the tenure for Independent Directors for a cumulative term of not more than nine years. The Board may seek shareholders' approval in the event that it retains an Independent Director who has served in that capacity for more than nine years, with strong justification provided. Otherwise, upon completion of nine years, an Independent Director may continue to serve on the Board subject to the director's re-designation as a Non-Independent Director.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 - Step Up

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

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

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The 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 NC.</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 experience2. professionalism;3. integrity, and4. in the case of candidates for the position of Independent Non-Executive Directors, the NC 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	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>During FY2022, the Company has utilised external sources to identify and appoint one new Director, i.e., an Independent Non-Executive Director, who was introduced by business associates of the Group in Johor. The appointment of new Director in FY2022 has been undertaken with due objective evaluation and deliberation by the Nc of the Company including based on two key criterions, i.e., the relevant and applicable qualifications and experiences in finance and accounting and the gender of the candidates.</p> <p>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;3. the NC has the authority as necessary and appropriate to consult with outside advisors to assist in their duties to 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

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Annual Report 2022 of the Company has been included under the Explanatory Notes No. 3 in the Notice of the AGM in page 108 with the necessary information in relation to the re-election of the Directors seeking re-election in the forth coming AGM of the Company.</p> <p>Under the Explanatory Notes No. 3, the Board has provided the necessary confirmation on its support for the reappointment of the Directors. While, the Director's Profile of the Directors seeking re-election also set out clearly the qualifications and experiences of the Directors who seeks re-election including the their experiences relevant to the Company or the Group.</p> <p>In addition, the Analysis of Shareholdings contained in page 101 of the Annual Report 2022 also provides the details of shareholdings of all Directors as at 28 September 2022, being the allowable practicable date for the disclosure of the same.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	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

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Company set out in its Annual Report 2022 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. In connection, the Company and the Group do 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>The NC and the Board 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>As mentioned in the Corporate Governance Report of the Company that Board was 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. In that regard, The Board has on 7 June 2022 appointed a female Director, the first in the Board of the Company since its incorporation on 28 April 2015. The new Director appointed, i.e., Ms Sophia Lim Chia Hui is also member of RC and the Chairperson of ARMC.</p> <p>Nevertheless, the NC and the Board view this can be more looked into and undertaken for a composition of 30% progressively or close to that level in the event there is or are proposed expansion which the Group eventually undertakes.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe :		
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Intended Outcome

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

Practice 5.10

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company set out in its Annual Report 2022 the following disclosure with regards to gender diversity.</p> <p>The Board is cognisant of the recommendation under the Code with regards to workforce and boardroom gender diversity. While the Company has not adopted any formal policy on gender diversity in selection of candidates, the Company does not restrict any specific gender in filling the workforce gaps so long as the suitable candidate(s) have the merits of amongst others, qualifications, experience and aptitude for specific roles within the Group. Similarly for the Board, the Company and its subsidiaries evaluates the suitability of the candidates for new Directors based on the candidates' competency, skills, knowledge, experiences, characters, time commitment and other relevant specific criteria regardless of the gender of the candidates.</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

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The Company set out in its Annual Report 2022 that:</p> <p>The duties and responsibilities on overseeing the establishing of Board committees, selection, appointment and nomination of Directors, Chief Executive and CFO have been delegated to the NC. The NC has also looked into the Directors’ Fit and Proper Policy of the Company and make the recommendation to the Board for the adoption of the same. On 24 June 2022, the Board has adopted the said policy which forms the basis and yardstick for the NC and the Board in the fit and proper assessment prior to the appointment of any candidate as a Director or making recommendation for the re-election of an existing Director. Besides, the evaluation of Directors by peers as well as the assessment of Board and Board Committees’ functioning remain as part of annual assessment.</p> <p>In addition to the above, with the assistance of the Company Secretary the Board undertakes annual evaluation of the Directors, Board functioning and also the Board Committees’ functioning. The outcome of the aforesaid evaluations is compiled and presented by the Company Secretary to the NC.</p> <p>The NC reviews, evaluates and deliberates on the outcome of the annual evaluation and seek clarifications from the Company Secretary where necessary. The NC reports to the Board on the outcome of the annual evaluation where the Board considers its composition including the annual re-election of Directors.</p>
Explanation for departure	:

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

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board 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; and 3. 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	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The 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 RC;2. the duties and responsibilities of the RC;3. the authority of the RC; and4. the meeting procedures of the RC. <p>For FYE 30 June 2022, the RC has held one meeting in which it deliberated and recommended to the Board:</p> <ol style="list-style-type: none">1. the remuneration in the form of Directors fees for FY2022 and other benefits including Board meetings and Board Committees meeting allowances for period from 1 January 2023 to 31 December 2023;2. the proposed bonus and increment for the Executive Directors and CFO cum COO of the Group. <p>The Terms of Reference of RC 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 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The Company adopted the disclosure of the remuneration breakdown of individual Directors based on director fees, allowances as well as salaries and other emoluments. The same practice has been continued for the Annual Report 2022. The disclosure of the aforesaid has been included in page 42 of the Annual Report 2022 in the Corporate Governance Overview Statement.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Foong Chee Meng	Independent Non-Executive Chairman	30	15	-	-	-	-	45	30	15	-	-	-	-	45
2	Datuk Ir Low Ah Keong	Executive Director	25	13	108	8	-	18	172	25	13	108	8	-	18	172
3	Dato' Ng Keng Heng	Executive Director	25	15	-	-	-	-	40	25	15	108	8	-	50	206
4	Yeo Kwee Kwang	Independent Non-Executive Director	13	6	-	-	-	-	19	13	6	-	-	-	-	19
5	Sophia Lim Chia Hui	Independent Non-Executive Director	1	3	-	-	-	-	4	1	3	-	-	-	-	4
6	Datuk Tew Boon Chin	Independent Non-Executive Director	25	14	-	-	-	-	39	25	14	-	-	-	-	39
7	Datuk Teoh Sew Hock	Non-Independent Non-Executive Director	25	16	-	-	-	-	41	25	16	-	-	-	-	41
8	Lim Chin Hock	Non-Independent Non-Executive Director	25	13	-	-	-	-	38	25	13	-	-	-	-	38

Intended Outcome

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

Practice 8.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>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> <p>For Matang Berhad, the key senior management team comprises the Executive Directors and the 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 RC has been entrusted by the Board to undertake annual review of the remuneration of the same.</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	:	

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	The current Chairperson of the Company’s ARMC is Ms Sophia Lim Chia Hui (“Ms Sophia Lim”). Prior to the appointment of Ms Sophia Lim as Director of the Company, the Chairman of the ARMC was Mr Yeo Kwee Kwang, who has resigned as Director of the Company on 1 January 2022. 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 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>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 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The 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 2022, the ARMC had on 25 August 2022 deliberated on the</p>

	suitability and independence of the external auditors. The external auditors have also provided confirmation of their team's independence on even date when the auditors presented to the ARMC the outcome of the audit of financial statements of the Group.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - 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 9.5

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

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

Application	: Applied
Explanation on application of the practice	<p>The ARMC of the Company comprises the following members who are financially literate and whose key experiences are summarised hereunder for reference:</p> <ol style="list-style-type: none">1. Ms Sophia Lim Chia Hui ("Ms Sophia Lim"), as the Chairperson of the ARMC. Ms Sophia Lim is a professional accountant. She is a Chartered Accountant with more than 17 years of experiences in Corporate Finance, Financial Reporting and Auditing. Ms Sophia Lim was admitted as the Chartered Accountant of the Malaysian Institute of Accountants ("MIA") in year 2008. She is also certified as ASEAN Chartered Professional Accountant under ASEAN Chartered Professional Accountants Coordinating Committee ("ACPACC") in year 2019. She currently holds the position as the Transition Manager since year 2019 in the Finance Shared Services of a multinational corporation ("MNC") incorporated in France and listed on the Paris Stock Exchange.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. <p>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</p>

	<p>currently independent non-executive directors of RHB Islamic Bank Berhad and Kumpulan Jetson Berhad as well as a Director of Pacific & Orient Insurance Co. Berhad.</p> <p>3. Datuk Teoh Sew Hock (“Datuk Teoh”), a member of the ARMC of the Company since 26 November 2019.</p> <p>Datuk Teoh attended Campbell University, United States, where he obtained a Bachelor of Science Degree in 1994. He 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>Explanation for departure</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>		

Intended Outcome

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

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

Practice 10.1

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

Application	: Applied
Explanation on application of the practice	<p>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 FY2022. In discharging its duties and responsibilities, the ARMC had on 25 August 2022 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 2022.</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,2. categorise the risks based on impact and occurrence;3. monitor and manage the risks. <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 FY2022. The ARMC has deliberated</p>

	<p>with the risk management consultant on 25 August 2022 the outcome of the risk management review performed for FY2022.</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 2022.</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

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

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

Practice 10.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>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 2022.</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	:	
<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

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

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

Practice 10.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Internal Auditors of the Company, i.e., Tricor Axcelasia, is an independent firm with no relationship with the Company. The Internal Auditors 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 assesses 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 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Statement of Risk Management and Internal Control and the Audit and Risk Management Committee Report in the Annual Report 2022 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; and4. the summary of the internal audit function framework. <p>Kindly refer to the Annual Report 2022 under headers of:</p> <ol style="list-style-type: none">1. Independent Internal Audit Review in Statement of Risk Management and Internal Control; and2. Summary of Works of the ARMC in relation to Internal Auditors in the ARMC Report. <p>for more details.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 12.1

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 7th AGM on 24 November 2021, the Company prepared and made presentation virtually to the shareholders on its operational and financial performance for financial year ended 30 June 2021. In addition, the Company also showed a video presentation on the Company's durian plantations which it started to venture into in early 2020 after the approval for diversification obtained in November 2019.</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 recorded in the minutes of the AGM 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.</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 12.2

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	:		
Timeframe	:		

Intended Outcome

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

Practice 13.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The notice for the Company previous AGM in FY2021, i.e., the 7th AGM held on 24 November 2021 has been circulated to the shareholders on 26 October 2021. The announcement for the 7th AGM notice has been released to Bursa Securities on 25 October 2021 and the same advertised in The Star newspapers on 26 October 2021.</p> <p>The notes to the Notice of the 7th 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 13.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>At the 7th AGM held on 24 November 2021 virtually, all the Directors including the respective Chairman of the Board Committees, i.e., the ARMC, NC and RC were present.</p> <p>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 2021. A video presentation of the Group's durian plantations was also shown to the shareholders.</p> <p>Besides the Directors, the Management and external auditors were also in attendance to respond to the shareholders' queries.</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 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>Due to the COVID-19 pandemic that started in 2020 and the spread of new variants or strains of COVID-19 intermittently, the Company conducted its 7th AGM on 24 November 2021 virtually in accordance with the Guidance and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia.</p> <p>In conjunction with the virtual AGM, 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	:	

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The Company in its 7th AGM has used the virtual meeting platform, i.e., Remote Participation and Voting ("RPV") facilities of its Share Registrar, Tricor Investor and Issuing House Sdn Bhd ("TIIH") where the shareholders were able to raise questions to the Board through messages texted into the query box provided in the RPV.</p> <p>The RPV facilities provides flexibility to shareholders to even pose questions up to 48 hours before the time scheduled for the AGM. Questions can continue to be raised by shareholders and their appointed proxy through the use of query box in the RPV facilities during the AGM on the meeting day.</p> <p>Prior to deliberating the agenda matters of the 7th AGM, the Company has made a presentation of its business and financial performance for FYE 30 June 2021. In addition, the Company has also shown a video presentation on the progress and development of the Group's durian plantations in FY2021.</p> <p>The Chairman has taken all questions from shareholders including their proxies for the 7th AGM. These questions were related to both financial and non-financial performances of the Group. Questions from shareholders in relation to the diversification, growth, future plans and strategies were amongst those asked by shareholders in the 7th AGM and the Company whether the Chairman or other Directors have provided clear responses and or answers to all questions raised in the AGM.</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

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

Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application	: Applied
Explanation on application of the practice	: The Company in its 7 th AGM has used the virtual meeting platform, i.e., Remote Participation and Voting (“RPV”) facilities of its Share Registrar, Tricor Investor and Issuing House Sdn Bhd (“TIIH”) where: <ol style="list-style-type: none">1. shareholders can pose questions up to 48 hours before the time scheduled for the AGM;2. shareholders and or their proxies can continue to raise questions through the use of query box in the RPV facilities during the AGM on the meeting day; and3. shareholders or proxy could cast their votes online from the commencement of the AGM until the close of the voting session as announced by the Chairman. The Chairman of the Company read out all questions (including necessary paraphrasing for clarity) raised in the 7 th AGM, all of which were broadcasted to the shareholders through the RPV facilities. The Chairman either took the questions by himself and provided the necessary reply(ies) or directed the questions to the appropriate Directors of the Company to respond. The Company has also provided time for additional questions to be raised until no more questions are forth coming that the Chairman close the Q&A session for the AGM so that the AGM could proceed for the poll voting.
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

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application :	Departure
Explanation on application of the practice :	
Explanation for departure :	<p>The Company has adopted the process of confirming the minutes of the AGM in the next Board meeting after the AGM which usually is more than 30 business days after the AGM. In that regard, the minutes of the AGM can only be posted onto the website of the Company upon confirmation of the minutes at the Board meeting held after the AGM.</p> <p>However, the Company shall look into its processes with regards to the above-mentioned matter for earlier confirmation of the Directors on the minutes of AGM prior to the circulation to the public by posting on its website.</p>
<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
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.

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