CORPORATE GOVERNANCE REPORT

STOCK CODE **:** 5109
COMPANY NAME **:** HO HUP CONSTRUCTION COMPANY BERHAD
FINANCIAL YEAR **:** December 31, 2021

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE
Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA
Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	The roles and responsibilities of the Board of Directors ("Board") are set out in the Board Charter and the Board Committees' functions are set out under each respective Board Committees' Terms of Reference ("TOR"). In Ho Hup, the Company is headed by a Board where they assumes their responsibility for the Company's leadership and is collectively responsible for meeting the agreed objectives and long-term goals of the Company. Prior to the commencement of the new financial year, the respective Divisional Heads formulates and proposes a strategic business plan which will be discussed with the Group CEO to establish as the Group budget forecast and cash flow projections before presenting to the Board for deliberation and approval. Quarterly, the performance of the financial results will be examined and reviewed by the Audit Committee and subsequently discussed by the Board against the Group's past performance, the Board also comments on improvements and changes needed to ensure that the necessary resources are in place for the company to meet its objectives. The Management performances were also evaluated based on efforts and initiatives taken to ensure the Group's long-term business sustainability. The Management prepares a quarterly risk management progress report to the Audit Committee to monitor and evaluate the effectiveness of the risk mitigating actions taken. Subsequently, the Board is advised by the Audit Committee on their recommendations on risk mitigation efforts within the Group. The Board also promotes good corporate governance culture by

	ensuring critical policies and procedures are in place and updated with the evolving business compliance and requirements. An Anti-Bribery and Anti-Corruption Manual was put in place and staff awareness trainings and periodic briefings were conducted at all levels of the Group during the year. In addition, adequate procedures were in place Group wide to prevent and protect against corruption practices. Lastly, the Board also leads the role of ensuring integrity in Group corporate reporting on both financial and non-financial information to harness a meaningful communication relationship with all stakeholders.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.2

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	:	The role of the Chairman of the Board is set out in the Board Charter. The Chairman engages with Board members and Management to oversee and ensure that the Board members can discharge and perform their responsibilities effectively. The Chairman leads the Nomination Committee ("NC") and Board in the monitoring of corporate governance practices, including the systems and procedures with regular updates and track on corporate governance compliance progress with Malaysian Code On Corporate Governance ("MCCG"). In addition, the Chairman leads in Board meetings and discussions by encouraging active participation and allowing dissenting views to be freely expressed during the Board deliberations. At the end of each Agenda item the Chairman summarises the views, consensus, position, and decision taken by virtue of the Board meeting procedures.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	The positions of the Chairman and CEO are held by two different individuals. The Board Charter of Ho Hup provides that the Chairman should be held by a Senior Independent Non-Executive Director. The role of Chairman is distinguished from that of the CEO's roles with clear division of responsibilities as outlined in the Board Charter. Our Board Charter is available at Ho Hup's website at www.hohupgroup.com.my. The Chairman is primarily responsible for the orderly conduct and function of the Board as well as ensuring its effectiveness thereof. The CEO has delegated authority from the Board and is accountable to the Board in managing the day to day business affairs of Ho Hup Group, implementing the approved policies by the Board. The CEO is empowered to make decisions for operational matters defined in the Discretionary Authority Limits mandate approved by the Board. In managing the business affairs, the CEO is assisted by the Management of Ho Hup Group to deliver the Company's objectives.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.		
Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	Tan Sri Datuk Seri Panglima Sulong Matjeraie ("Tan Sri Sulong"), Chairman and Senior Independent Non-Executive Director is currently also the Chairman of Nomination Committee and a member of the Audit Committee and Remuneration Committee. The Board took cognisance that having the same person assume the position of chairman of the Board and Chairman/member of other Board committees gives rise to the risk of self-review and may impair the objectivity of the chairman and the Board when deliberating on the observations and recommendations put forth by the Board committees. However, Tan Sri Sulong is not involved in management and operational matters of the Company, and he has acted objectively and uphold his independence in all the matters relating to and discussed in the Board and Board Committees of which he is a Chairman or a member.
		The Company will assess the practicality of this Practice from time to time and work towards complying with the Practice where necessary.
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.5

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	:	The Company Secretaries plays an advisory role to the Board on matters pertaining to compliance of procedures, rules and regulatory requirements. The Company Secretaries attends all Board and Board Committees' Meeting and ensures that all meetings are convened in accordance with Board procedures and TOR of the relevant Board Committees. Deliberations on issues discussed and decisions made at meetings, are properly recorded and kept. Both Company Secretaries of the Company are qualified to act as Company Secretary pursuant to Section 235 and Section 236(3) of Companies Act 2016. The responsibilities of the Company Secretary have been specified in the Board Charter. The Company Secretaries constantly keep themselves abreast of the evolving statutory and regulatory requirements through continuous training.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.6

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	:	Timely circulation of Notice of Meetings together with the agenda and meeting packs comprising agenda items, reports and papers are circulated to Board members prior to meetings to allow reasonable time for Board members to view prior to the Board meeting. This allows the Board to have sufficient time to read, get clarifications and to provide recommendations for the meeting. The Directors are provided with full and timely information which enables them to discharge their responsibilities. Prior to each Board Meeting, the agenda together with the detailed reports and supplementary papers are circulated to the Directors in advance. This is to enable the Directors to obtain further explanations, where necessary, to be adequately informed before the meeting. The completed reports and supplementary papers will be circulated electronically via email at least 7 days prior to the meeting. When printed documents are ready, it shall be sent by parcel to the respective directors upon their request. Minutes of a Directors' meeting would be distributed to all Board members on a timely basis for review and thereafter for confirmation at the next Board meeting. The signed Board minutes are entered in Minutes books kept by the Company Secretaries at the registered office.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome
There is 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 :	The Company's Board Charter is subject to review from time to time to ensure the Company remains at the forefront of best practices in Corporate Governance. • The Board Charter is publicly made available on the Company's website at www.hohupgroup.com.my • The roles and responsibilities of the Board, Chairman, Executive Directors and Company Secretaries are set out in the Company's Board Charter.	
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
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	:	The Board consistently strives to set the "tone at the top" and instil ethical values and integrity standards across every level of the Group. In this regard, the Company has put in place a Code of Conduct which subject Directors, Management and Employee to a set of values and standards of conduct that is expected of them. The Code of Conduct serves as a formal commitment by employees to adhere to the Company's core values and business principles at all times and to conduct business in a transparent, appropriate and fair manner. The Code of Conduct is available on the Group's website at www.hohupgroup.com.my The Code of Conduct covers the following salient areas: • Provide positive influence to the community and society • Continually improve the standards of health and safety of the workplace for employees • Safeguard the Company's assets and prevent violation of the policy of use • Maintain full confidentiality of Company's core business information and prevent unauthorised disclosure • Prevent conflict of interest which could affect professional judgement • Prohibition of receiving gifts, benefits and entertainment and implementation of Anti Bribery & Anti-Corruption policies • Compliance of strict provisions of the Malaysian Anti-Corruption & Commission Act ("MACC") 2009 All employees of the Group are required to acknowledge that they have received, read and understood the provisions of the Code of Conduct. The Board reviews the Code of Conduct periodically or as and when the need arises to ensure it is kept contemporaneous. Based on the listing requirements to prevent corruption, details

	regarding Section 17A on Corporate Liability were added to the Code of Conduct of the Group. Furthermore, the Anti-Bribery and Anti-Corruption Manual were in place with awareness trainings and periodic briefings conducted to all level of the organisation to create proper understanding in the prevention against corruption practices. The Board also ensures adequate procedures are in place to govern against corruption practices.	
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

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 :	The Group is committed in preserving and protecting the interest and reputation at all times. In this respect, the Whistleblowing Policy was established and subsequently reviewed and updated when required. The main objective of the Whistleblowing Policy is to provide an objective point of feedback escalation for employees or stakeholders to disclose in a bona fide manner any suspected acts of wrongdoings without any fear of reprisal. The Whistleblowing Policy provides guidelines for the reporting and the investigation of any wrongdoings. Such misconducts may be reported in writing directly to a dedicated e-mail address, namely, sulongmatjeraie@gmail.com The other channels for whistleblowing can be accessed at the Group's website, www.hohupgroup.com.my The Board together with Management, reviews the Whistleblowing Policy periodically or as and when the need arises to ensure it is kept contemporaneous. Throughout 2021, there were no whistleblowing reports received.	
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
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	:	The Board together with the Management, recognises the importance of ensuring sustainability risks and opportunities are considered in the development of the business strategies and plans. As a yearly agenda, Management reviews the Group's sustainability approach and presents to the Board. The following was concluded to the Board for FY2020/21: a) Sustainability framework endorsed previously is currently being reviewed to ensure alignment to the Environmental, Social and Governance (ESG) agenda. b) The Management was tasked to review and integrate sustainability elements into its yearly business plan and strategies.	
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

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	:	Sustainability matters are discussed and reviewed in committee meetings where different levels of employees in various departments of the Group are involved. The Group's sustainability strategies, priorities and targets as well as performance against these targets are also communicated via corporate website and annual report. The detailed sustainability report in relation to stakeholder groups, engagements and targets as well as the performance against these targets are as set out in the Group's Sustainability Report on page 24 to 42 of 2021 Annual Report.	
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

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	:	Quarterly updates of the Group's sustainability matters by the Management in the Board meetings have enhanced the Directors' awareness and knowledge of the sustainability issues relevant to the Group.	
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

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	:	During the financial year under review, the Nomination Committee ("NC") has established a Board Evaluation Questionnaire relating to Environmental, Social and Governance ("ESG") or Sustainability of the Board and Senior Management	
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
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	:	Adopted
Explanation on adoption of the practice	:	Moving forward, Chief Executive Officer would lead the sustainability agenda of the Group to ensure better alignment to the Group's strategic direction and regulatory requirements.

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	:	The Board takes cognisance of the importance of the active participation of the Board in the NC . On a yearly basis, the NRC and Board reviews the tenure of the Directors as well as the composition of the Board Committees as part of the Board Effectiveness Evaluation ("BEE") process.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

Practice 5.2
At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	As at 31 December 2021, the Board comprises of 7 members, 2 of whom are Independent Directors' including the Chairman. Dato' Mah Siew Kwok, Deputy Chairman / Non Independent Non-Executive Director retired on 31 May 2021 and Mr. Boey Tak Kong, Audit Committee Chairman / Independent Non-executive Director demised on 14 October 2021. Subsequently on 23 March 2022, Mr Thevanaigam Rajan Chitty was appointed as the Independent Non-Executive Director of the Company. The Board has in place the AC, NC and RC guided with clear TOR to assist the Board in the deliberations and recommendations as a check and balance. The members of the AC comprise wholly of Independent Non-Executive Directors, while the NC and RC have at least half formed with Independent Non-Executive Directors, with the participation of a majority Independent Directors Non-Executive Directors supports a better objective oversight function to the Board. Several of our Directors, although they are Non-Independent and Non-Executive, are experienced and their willingness to challenge the Management with questions without apprehension and debate constructively during Board meetings helps to reinforce the check and balance of Board's decision making process. Hence currently, the lack of majority Independent Directors in terms of delivering 50% of the Board composition does not jeopardise independence of the Board in their deliberations and all decisions are made in the best interests of the Company. The NC has assessed the Board composition and acknowledged that the current size and composition of Directors will need to be reviewed to provide a balance mix of skills and experience, as well as the objectivity required in the boardroom. The Board is mindful of the recommendation of the MCCG that the Board must comprise of at least half of independent directors.

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :	The Board will continuously identify potential candidates who are Independent to be interviewed to fulfil the requirements of MCCG.	
Timeframe :		

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

Practice 5.3
The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

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

Application	:	Applied	
Explanation on application of the practice	:	There are no Independent Directors serving beyond a cumulative term limit of nine years.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 - 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	:	The Board acknowledges the importance of diversity in terms of skills, experience, age, gender, cultural background and ethnicity and recognises the benefits of diversity at leadership and employee level. Having a range of diversity dimensions brings different perspectives to the boardroom and to various levels of Management within the Group. The NC is responsible to lead the process for the nomination of new Board appointments and making the necessary recommendations. In this respect, the role of the NC is detailed in its TOR, which is accessible for reference on the Group's website at http://www.hohupgroup.com.my In making its recommendations to the Board, the NC considers and assess the suitability of a new appointment based on objective criteria, including: • Qualification; • Required competencies, skills, expertise and experience; • Specialist knowledge or technical skills; • Professionalism and integrity; and • Time commitment to the Company
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

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

Practice 5.6
In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

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

Application	:	Applied
Explanation on application of the practice	:	The NC is responsible for recommending suitable candidates for Directorships to the Board. In undertaking this responsibility, the NC leverages on several sources to "cast a wider net" and gain access to a wide pool of potential candidates. The responsibilities of the NC in this regard are outlined in its TOR. In evaluating potential candidates, the NC will assess directorship suitability based on objective criteria, including: • Qualification; • Required competencies, skills, expertise and experience; • Specialist knowledge or technical skills; • Professionalism and integrity; and • Time commitment to the Company. In searching for suitable candidates, the NC may receive suggestions from existing Board Members, Management, and major shareholders. The Committee is also open to referrals from external sources available, such as industry and professional associations, as well as independent search firms. During FY2021, a board vacancy arose after the demise of the late Mr Boey Tak Kong. In identifying suitably qualified candidates for appointment, the Board had source externally and the shortlisted candidates are referred to existing directors and major shareholder for deliberation. Mr Thevanaigam Rajan Chitty was subsequently appointed on 23 March 2022 as the Independent Non-Executive Director.
Explanation for departure	:	

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

Intended Outcome

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

Practice 5.7

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	:	The Nomination Committee carried out an annual evaluation and assessment on each Director, including the Directors subject to retirement by rotation at the 47th AGM and their re-election was noted and supported by the Board. The details of their interest, position or any 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 Company as a whole are disclosed in various parts of the Annual Report. The profiles of directors are published in the Annual Report and on the Company website. These include their age, gender, tenure of service, directorships in other companies, working experience and any conflict of interests as well as their shareholdings in the Company, if any.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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 Tan Sri Datuk Seri Panglima Sulong Matjeraie, who is the Senior Independent Non-Executive Director	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	There is currently one female director on the Board and this forms 14% of the Board composition.	
		The Board is putting its efforts in getting other suitable women who could meet the objective criteria, merit and with due regard for diversity in skills, experience, age and cultural background to join the Board.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:	Within 5 year	

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	:	Currently only one female director is available on the Board. The Board, through the NC, will be scouting for additional female directors as a step to meet the target of at least 30% women directors for Large Companies. Although Ho Hup is not considered in the definition of Large Companies by MCCG, the Board is still considered it as a target to be achieved over five (5) years period. The Board is putting its efforts in getting other suitable women who could meet the objective criteria, merit and with due regard for diversity in skills, experience, age and cultural background to join the Board. The Board would consider sourcing new directors via different Directors recruitment agencies and professional bodies.
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
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.

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.		
Application	:	Applied
Explanation on application of the practice	:	The NC is responsible for the Board Effectiveness Evaluation (BEE) process, covering the Board, Board Committees and individual Directors, including Independent Directors. The NC, upon conclusion of the BEE exercise, was satisfied that the Board and Board Committee composition had fulfilled the criteria required, possess a right blend of knowledge, experience and the appropriate mix of skills. In addition, there was mutual respect amongst individual Directors which contributed to a healthy environment for constructive deliberation and robust decision-making process. Independent Directors were assessed to be objective in exercising their judgment. The BEE for the year 2021 was conducted internally, facilitated by the Company Secretaries. The BEE was conducted using questionnaires that were administered by the Company Secretaries which employ a self and peer rating assessment model.
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

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	:	The Company has in place a remuneration framework and procedures to determine the remuneration of the Directors and Senior Management of the Company. This framework is designed to attract and retain the right talent at the Board and Senior Management to drive the Group's long-term objectives. The 'Policies and Procedures for the Remuneration of Directors and Senior Management' ("the framework") is periodically reviewed by the Remuneration Committee ("RC") and is made available on the Company's website. This framework is designed to ensure the remunerations are appropriately reflective of the right experience and the level of responsibilities and contributions of the candidate; as well as being competitive compared with the prevalent market practices. Each of the candidates is abstained from deliberating and voting on their own remuneration to ensure independence in evaluation. The Board collectively determines the remuneration for both Directors and Senior Management based on the recommendation of the NC and RC. The performance of the Director and Senior Management is reviewed annually taking into consideration the corporate and individual performance. The Executive Directors is not entitled to the annual fee or allowance nor are they entitled to receive any meeting allowances for the Board and Board Committees Meetings they attends. The remuneration details for all the Directors of the Company are disclosed in the Statement on Corporate Governance in the Annual Report 2021.
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

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	:	The Board has in a place a RC which comprising wholly of Non-Executive Directors. The RC discharges its responsibilities in accordance with its TOR, among others, reviewing the remuneration packages, reward structure and fringe benefits applicable to the Board; and making the appropriate recommendations to the Board. The TOR of RC is accessible for reference on the Group's website at http://www.hohupgroup.com.my	
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

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 detailed disclosure on named basis for the remuneration of individual directors, including fees, salary, bonus, benefits in-kind and other emoluments in the table below.

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	Tan Sri Datuk Seri Panglima Sulong Matjeraie	Independent Director	-	-	-	-	-	-	-	60.0	8.5	-	-	-	-	68.5
2	Dato' Mah Siew Kwok (Retired on 31 May 2021)	Non-Executive Non-Independent Director	-	-	-	-	-	-	-	54.0	3.5	-	-	-	-	57.5
3	Dato' Sri Thong Kok Khee	Non-Executive Non-Independent Director	-	-	-	-	-	-	-	48.0	3.0	-	-	-	-	51.0
4	Datin Chan Bee Leng	Non-Executive Non-Independent Director	-	-	-	-	-	-	-	40.0	2.5	-	-	-	-	42.5
5	Boey Tak Kong (demised on 14 October 2021)	Independent Director	-	-	-	-	-	-	-	48.0	6.5	-	-	-	-	54.5
6	Chow Seck Kai	Independent Director	-	-	-	-	-	-	-	40.0	5.5	-	-	-	-	45.5
7	Low Kheng Lun	Non-Executive Non-Independent Director	-	-	-	-	-	-	-	40.0	2.5	-	-	-	-	42.5
8	Dato' Wong Kit-Leong	Executive Director	-	-	-	-	-	-	-	-	-	705.4	-	49.3	106.8	861.5
9	Dato' Wong Gian Kui	Executive Director	-	-	-	-	-	-	-	-	-	100.8	-	-	4.6	105.4

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.

<table>
<tr><td>Application :</td><td>Departure</td></tr>
<tr><td>Explanation on application of the practice :</td><td></td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td>The Board is of the view that the disclosure on a named basis for the remuneration of top five senior management personnel is not in the best interest of the Group given the competitive human resource environment for personnel with requisite knowledge, expertise and experience in the Company's business activities, where poaching by recruitment service provider has become common now.

The Board believes that the non-disclosure of remuneration of top 5 senior management personnel who are not Directors of the Company will not prejudice the interest of its shareholders.</td></tr>
<tr><td>As an alternative, the Company has disclosed the remuneration of its top five (5) senior management personnel in the band of RM50,000 but depart from disclosing on a named basis.

The top 5 key senior management remuneration in band of RM50,000 are as follows:

<table>
<tr><th>Range of Remuneration (in band of RM 50,000)</th><th>Number of Key Senior Management</th></tr>
<tr><td>RM 650,001 to RM 700,000</td><td>-</td></tr>
<tr><td>RM 600,001 to RM 650,000</td><td>2</td></tr>
<tr><td>RM 550,001 to RM 600,000</td><td>-</td></tr>
<tr><td>RM 500,001 to RM 550,000</td><td>-</td></tr>
<tr><td>RM 450,001 to RM 500,000</td><td>-</td></tr>
<tr><td>RM 400,001 to RM 450,000</td><td>3</td></tr>
</table>
</td></tr>
<tr><td colspan="2">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
</table>

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 Audit Committee ("AC") is currently chaired by an Independent Non-Executive Director, Mr. Thevanaigam Rajan Chitty, who is appointed on 23 March 2022 in place of Mr. Boey Tak Kong, who demised on 14 October 2021. Meanwhile, the Chairman of the Board is Tan Seri Datuk Seri Panglima Sulong Matjeraie, the Senior Independent Non-Executive Director.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
There is an effective and independent Audit Committee.

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

Practice 9.2
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	:	None of the members of AC were former key audit partners of any external audit firms within the cooling off period of three (3) years before appointed as a member of AC. The TOR of AC is made available at the Group's website at http://www.hohupgroup.com.my.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
There is an effective and independent Audit Committee.

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

Practice 9.3
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	:	The AC is responsible for assessing the capabilities and independence of the External Auditors and to make subsequent recommendations to the Board on the appointment, re-appointment or termination of the External Auditors. Under its TOR, the AC reviews the suitability, objectivity and independence of the External Auditors of the Company on an annual basis. The review process covers the assessment of the independence of the External Auditor, the evaluation of the performance of External Auditor, quality of work, audit fees and the adequacy of resources. During the financial year, the AC met with the External Auditors, UHY, twice during the year in the absence of Management. The AC also monitored and reviewed the performance and independence of UHY and is satisfied that the External Auditors have been independent throughout the conduct of the audit process and the audit services rendered have met the quality expected by the AC. For the audit of the financial year ended 31 December 2021, the AC was further assured by UHY by way of written confirmation that its personnel were and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. Pursuant to the assessment on the suitability and independence of the External Auditor, the AC made its recommendation to the Board on the re-appointment on the external auditors alongside the accompanying audit fees.
Explanation for departure	:	

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

Intended Outcome
There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up
The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The AC comprises wholly of Independent Non-Executive Directors.

Intended Outcome
There is an effective and independent Audit Committee.

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

Practice 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	:	The members of the Audit Committee of the Company comprised at least one (1) member with the requisite accounting qualification based on the requirements of the MMLR of Bursa Securities. Members of the Audit Committee are financially literate as they continuously keep themselves abreast with the latest developments in the new accounting and auditing standards and the impact it may have on the Group through briefings by the management and the external auditors. During the financial year ended 31 December 2021, the Directors received regular briefings and updates on the Group's businesses, operations, risk management and compliance, internal controls, corporate governance, finance, sustainability reporting, antibribery and corruption and any new or changes to the relevant legislation, rules and regulations. The members of AC possess a wide range of necessary skills and expertise in relevant accounting, financial service industry and legal to discharge their duties and provide an effective level of challenge to the Management. During the reporting year, the AC members had attended training courses, details are set out in the Corporate Governance Overview Statement of the Company's Annual Report 2021. Based on the outcome of the performance assessment on the AC, both the NC and the Board are satisfied with the performance of the AC.

Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
Companies 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	:	The Board has established the necessary risk and internal control infrastructure encompassing the risk assessment process, internal control measures, organisational oversight and reporting function to instil the appropriate discipline to continuously improve risk management and internal control capabilities. Details of the Group's Risk Management and Internal Control Framework are set out in its Statement on Risk Management and Internal Control of the Company's Annual Report 2021. The internal control mechanisms established by the Board are embedded within the organisation structure in all its processes.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
Companies 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	:	Risk assessment, monitoring and review of the various risks faced by the Group are continuous processes within the key operating units, with the Risk Management Committee (a Management-level Committee) playing a pivotal oversight function as delegated by the Board of Directors. The Board has further received assurance from the Chief Executive Officer and Chief Financial Officer that the Group's risk management and internal control systems are operating adequately and effectively. Further details are contained in the Statement of Risk Management and Internal Control in the Company's Annual Report 2021.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
Companies 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	:	There is a Management's Risk Management Committee that reports to the Audit Committee, which subsequently advised the Board. There is also appointment of internal auditor to conduct risk management review on the control environment framework applied.

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	:	The Group's internal audit function is outsourced to an external consultant to assist the AC and Board in providing independent assessment on the adequacy, efficiency and effectiveness of the Group's governance, risk management and internal control processes. The AC conducts an evaluation annually to review the effectiveness and independence of the internal audit function. The review evaluates if the internal audit function demonstrates achievement of the Core Principles stated in the Professional Practice of internal auditing described in the Guidance for an Effective Internal Audit Function published by the Institute of Internal Auditors Malaysia. Overall review of the internal audit function is satisfactory and adequate.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	The AC is supported by the Internal Audit team, which has been outsourced to Quadrant Biz Solutions Sdn Bhd. The Internal Audit team from Quadrant Biz Solutions Sdn Bhd is headed by Ms. Chew Bee Suan. She has an Honours Degree in Accounting & Finance from United Kingdom and also a Fellow of the Association of Chartered Certified Accountants (ACCA). She has more than 10 years' experience in the field of internal audit. The Internal Auditors are free from any relationships or conflict of interest or undue influence of others to override professional and business judgment, which could impair their objectivity and independence. The independence of the Internal Audit function is derived from its direct reporting and unencumbered access to the AC. The Internal Auditors have adequate resources to carry out their audit activities. During the financial year under review, the Internal Auditors in teams of three (3) had conducted four (4) cycles of Internal Audit as stipulated in the approved Internal Audit Strategy Plan. Scheduled Internal Audit reviews were carried out by the Internal Auditors based on the audit plans presented and approved by the AC. The Internal Auditors adopt a risk-based Internal Audit methodology, which is guided by the International Professional Practices Framework issued by The Institute of Internal Auditors. Further details of the Company's Internal Audit function are contained

	in the Statement on Risk Management & Internal Control, Audit Committee Report and Corporate Governance Overview Statement as set out in the Annual Report.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	The Board recognises the importance of communication and proper dissemination of information to its shareholders and investors. Through extensive disclosures of appropriate and relevant information, the Company aims to effectively provide shareholders and investors with information to fulfil transparency and accountability. In this respect, the Company keeps shareholders informed via announcements and timely release of quarterly financial reports, press releases, annual reports and circulars to shareholders. The AGM is the main forum of dialogue with shareholders as it provides an opportunity for the shareholders to seek and clarify any issues pertaining to the Group and to have a better understanding of the Group's activities and performance. Shareholders and members of the public may also obtain information on the Group's operations and activities, as well as press releases, announcements and financial information, etc. from the corporate website www.hohupgroup.com.my.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.2

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

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company's 47th AGM was held on 28 May 2021 with the notice of 47th AGM issued on 7 May 2021 which was at least twenty-one (21) days before the date of the 47th AGM, in accordance with Clause 61 of the Company's Constitution and Section 316(2) of the Companies Act 2016.	
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 13.2
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	:	The annual meeting calendar was prepared and circulated to Directors prior to the commencement of a new financial year in order for the Directors to lock-in dates of AGM, Board and Board Committees meetings. During the AGM, the Chairman also invited shareholders to raise any questions pertaining to the Company's Financial Statements and other agenda items, before putting the resolution to vote. The Chairman of the AC, NC and RC are present during the AGM to address any questions posted by the shareholders. In addition to the above, the Executive Directors, members of the Senior Management and External Auditors of the Company are present to the AGM and have gave their responds to the shareholders' queries.
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 13.3
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	:	Following the outbreak of the COVID-19 pandemic in 2020, the Company leveraged on technology by conducting its 47th AGM and Extraordinary General Meeting ("EGM") as virtual sessions. These were conducted via live streaming broadcast over a secure digital platform. The Chairman of the meetings was in attendance at the designated broadcast venue, with all Directors participating in both the 47th AGM and the EGM, either in person or over the virtual meeting platform. Shareholders attending the 47th AGM and EGM were able to participate (including posing questions via real-time submission of typed texts). The voting at the last 47th AGM and EGM was conducted through electronic voting system to facilitate greater shareholders' participation, as well as to expedite verification and counting of votes.
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 13.4

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

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.		
Application :	Applied	
Explanation on application of the practice :	At the AGM held in 2021 conducted virtually via online platform, the CEO presented the overall financial performance of the Group for FY2020, prospects and also strategies of the Group for the FY2021. Shareholders were also given opportunities to pose any questions pertaining to financial and non-financial matters as well as long term strategies of the Group via online platform provided during the AGM.	
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.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.		
Application	:	Applied
Explanation on application of the practice	:	The 47th AGM and EGM were successfully conducted by way of live streaming form the Broadcast Venue on 28 May 2021 and 24 February 2021 respectively without any disruption. The Company has considered stability and capacity of meeting platform and ensured that there was dedicated and sufficient internet bandwidth to support smooth live streaming and participation by Directors, shareholders and proxies remotely. The Company also worked with its service provider to ensure that there was adequate back-up plan to mitigate risk of inability to access the meeting platform which was hosted using Remote Participation and Electronic Voting (RPEV) facilities. During the proceedings of the 47th AGM and EGM, participants were given opportunity to pose questions in the form of typed texts online. The Management attended to the live questions received during the meeting proceedings.
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.

Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.			
Application	:	Applied	
Explanation on application of the practice	:	Minutes of the 47th AGM held on 28 May 2021 and EGM held on 24 February 2021 were published on the Company's website.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
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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