

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5015
COMPANY NAME : APM Automotive Holdings 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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board sets the strategic direction of the Group and ensures effective leadership through oversight of Management and robust monitoring of the activities and performance in the organisation.</p> <p>All members of the Board are aware of their responsibility to make decisions objectively which promote the success of the Group for the benefits of shareholders and other stakeholders. The roles and responsibilities of the Board are clearly set out in the Board Charter, which serves as a reference point for Board activities. The Board Charter is available on the Company's website at www.apm.com.my.</p> <p>The key roles and responsibilities of the Board broadly cover formulation of corporate policies and strategies; overseeing and evaluating the conduct of the Group's businesses; identifying principal business risks and ensuring the implementation of appropriate systems to manage those risks to acceptable levels; and reviewing and approving key matters such as financial results, investments and divestitures, acquisitions and disposals, and major capital expenditure.</p> <p>To assist in the discharge of its stewardship role, the Board has delegated and conferred some of its authority and powers to its Committees, namely the Audit Committee; and Nominating and Remuneration Committee (collectively "Board Committees"), to oversee specific issues within their respective terms of reference as approved by the Board and report to the Board with their recommendations. The ultimate responsibility for decision making, however, lies with the Board.</p> <p>The Executive Team (as defined in the Board Charter), comprising the President (as the leader), Chief Executive Officer, Chief Operating Officer, Executive Vice President, Chief Business Development Officer and other Senior Management Personnel, is responsible to the Board in accordance with their respective roles, positions, functions and</p> |

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| | <p>responsibilities which include, inter-alia, the achievement of the Company's goals and encompass observance of Management authorities delegated by the Board, developing business plans which are aligned to the Company's requirements for growth, profitability and return on capital to be achieved, ensuring cost effectiveness in business operations, overseeing development of human capital and ensuring members of the Board have the information necessary to perform their fiduciary duties and other governance responsibilities.</p> <p>The Executive Team serves as a conduit between the rest of the Management and the Board and is responsible for the effective implementation of strategic plans and policies of the Group as established by the Board.</p> | |
| Explanation for departure | : | |
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| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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

Practice 1.2

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board is helmed by the President, Dato' Tan Heng Chew, who is the Chairman of the Board. As provided in the Board Charter, the Chairman is responsible for, inter-alia, the following:</p> <ul style="list-style-type: none">• presiding at Board and shareholders meetings and ensuring the proceedings thereof comply with good conduct and practices;• leading the Board in establishing and monitoring good corporate governance practices in the Company;• consulting with the Board promptly over any matter that gives him cause for major concern;• managing Board communications and Board effectiveness, and the interface between Board and Management;• in conjunction with the Company Secretaries, determining the content of the agenda and information to be supplied to the Board and ensuring that Board members receive complete and accurate information in a timely manner;• acting as facilitator at Board meetings and ensuring that no member, whether executive or otherwise, dominates discussion. The Chairman also encourages Board members to participate in discussions and that relevant opinions amongst members are forthcoming, resulting in logical and understandable outcomes and allowing dissenting views to be freely expressed;• providing leadership to the Board so that the Board can perform its responsibilities effectively; and• facilitating effective communication between the Board and stakeholders. <p>In discharging his leadership role as the Chairman, Dato' Tan ensures that the Board decisions taken are in the Company's best interest and reflect the Board's consensus.</p> |
| Explanation for departure | : | |
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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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The Company believes that a distinct separation of responsibilities between the Chairman and Chief Executive Officer ("CEO") ensures an appropriate balance of power, increases accountability and greater capacity of the Board for independent decision making. The positions of the Chairman and CEO of the Company are held by two different individuals.</p> <p>As set out in the Board Charter, the Chairman of the Board is primarily responsible for the effectiveness and overall functioning of the Board, particularly those highlighted under Practice 1.2 while the CEO is responsible for managing and supervising the day-to-day business operations in accordance with the Group's strategies, policies and business plans approved by the Board.</p> | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
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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 1.4

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

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| <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 | : Applied |
| Explanation on application of the practice | : The Board Chairman is not a member of the Audit Committee and Nominating and Remuneration Committee ("NRC"). The Board Chairman also did not attend nor participate in any of the above Board Committees' meetings convened during the financial year under review. The Board Chairman has access to the reviews or findings of the Board Committees through the minutes or reports of the respective Board Committee meetings which are tabled at Board meetings. |
| 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 | : |
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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 1.5

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.

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| Application | : Applied |
| Explanation on application of the practice | <p>The Company Secretary of APM is qualified to act as secretary under Section 235(2) of the Companies Act 2016.</p> <p>The roles and responsibilities of the Company Secretary include, but are not limited to, the following:</p> <ul style="list-style-type: none">• manages all Board and Board Committees meetings logistics, attend and record minutes of all Board and Board Committee meetings and facilitate Board communication;• advises the Board and Board Committees on their roles and responsibilities;• facilitates the orientation of new Directors and assist in Directors' training and development;• advises the Board and Board Committees on corporate disclosures and compliance with the relevant rules and regulations;• manages processes pertaining to general meetings;• monitors corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations; and• serves as a focal point for stakeholders' communication and engagement on corporate governance issues. <p>The Company Secretary, who is a member of good standing in her professional body, i.e., The Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"), constantly keep herself abreast with the regulatory changes and development in corporate governance by attending the relevant training programmes for continuous professional development as required by MAICSA and the Companies Commission of Malaysia.</p> <p>The Board, through the NRC, had undertaken a formal annual evaluation, based on pertinent criteria, set to assess the effectiveness and performance of the Company Secretary for the financial year ended 31 December 2021. Based on outcome of the assessment conducted, the Board is satisfied with the performance and support rendered by the Company Secretary to the Board in discharging their duties and responsibilities.</p> |

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Intended Outcome

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

Practice 1.6

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

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| Application | : Applied |
| Explanation on application of the practice | <p>An annual meeting calendar is prepared and circulated in advance of each new financial year, providing Directors with scheduled dates for meetings of the Board, Board Committees and Annual General Meeting of the Company, so that they can plan ahead.</p> <p>The Directors are supplied with relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters for decisions to be made on an informed basis for an effective discharge of the Board's responsibilities.</p> <p>The Board Committee meetings are conducted separately from the Board meetings to enable objective and independent discussions during the meeting.</p> <p>Procedures have been established for timely dissemination of Board and Board Committees papers to all Directors at least seven (7) days prior to the Board and Board Committee meetings, to facilitate decision made by Directors and to deal with matters arising from such meetings. Senior Management of the Group and external advisers, where necessary, are invited to attend Board meetings to provide additional insights and professional views, advice and explanations on specific items on the meeting agenda.</p> <p>Deliberations and decisions made at the Board and Board Committee meetings are appropriately documented in the minutes, including matters where Directors are required to abstain from voting or deliberation. The minutes are then circulated to the Directors and Board Committee members for perusal and comments on factual accuracy. The minutes are confirmed as correct record by the Board and Board Committees at the following meeting.</p> <p>The Company Secretary communicates to the relevant Management on the Board's decisions and recommendations for appropriate actions to be taken. Management updates the Board on the status of actions taken with reference to the previous minutes of meetings. Action items remain as matters arising in the minutes of meetings until they are satisfactorily resolved or are no longer relevant.</p> |

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| Measure : | | |
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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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board is guided by its Board Charter, which clearly sets out the Board's roles and responsibilities in discharging its fiduciary and leadership functions.</p> <p>In November 2021, the Board reviewed and adopted the revised Board Charter to be in line with the Malaysian Code on Corporate Governance 2021 Edition ("MCCG 2021"). The updated version of the Board Charter is available on the Company's website at www.apm.com.my.</p> <p>The Charter provides guidance for Directors and Management regarding the roles and responsibilities of the Board, Board Chairman, Board Committees, Executive Directors, Non-Executive Directors, Senior Independent Non-Executive Director and Company Secretary. To enhance accountability, the Board has established clear functions reserved for the Board, Board Committees, individual Directors and Management.</p> <p>There is a formal schedule of matters reserved to the Board for its deliberation and decision to ensure the direction and control of the Company are in its hands. Key matters reserved for the Board include, inter-alia, the approval of annual budgets, quarterly and annual financial statements for announcement, corporate announcements, investment and divestiture, as well as monitoring of the Group's financial and operating performance.</p> |
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| Measure | : | | |
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Intended Outcome

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

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

Practice 3.1

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

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board has developed a Directors' Code of Ethics, which essentially sets out the standards of conduct expected from all Directors, including managing conflict of interest, preventing the abuse of power, proper use of company's assets, adherence to the Company's policy on Anti-Bribery and Anti-Corruption and insider trading regulations as well as compliance with other laws, rules and regulations.</p> <p>As per the terms of the Code of Ethics, it is to be reviewed by the Board annually or as required when internal or external events warrant a more frequent review to be undertaken. The Directors' Code of Ethics, which is set out in Appendix A of the Board Charter, was last reviewed together with the Board Charter by the Board in November 2021.</p> <p>To inculcate good ethical conduct, the Group has also developed a Code of Conduct and Ethics for compliance by its employees. This Code, which has been disseminated to all levels of employees in the Group, was last revised and approved by the Board in November 2019 to be in line with the United Nations Global Compact recommendations and is available on the Company's website at www.apm.com.my.</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 | : | |
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Intended Outcome

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

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

Practice 3.2

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board has formalised a Fraud Prevention Policy and a Special Complaints Policy (collectively known as the “Fraud and Whistleblowing Policies”), which serve as an avenue to employees of the Group as well as the other stakeholders for raising concerns related to possible acts of corruption, breach of business conduct, non-compliance of laws and regulatory requirements as well as other malpractices. The Fraud and Whistleblowing Policies also include provisions to safeguard the confidentiality of informants who act in good faith, and measures to avoid abuse of the said policies lest false or malicious allegations are intentionally made.</p> <p>Under the Fraud and Whistleblowing Policies, a hotline is made available for employees to report any alleged or suspected fraud, corruption or non-compliance with the Code of Conduct for employees, governance documents and laws and regulations directly to the APM Group’s Compliance Officer. The team from the investigative functions is entrusted to commence investigations upon receiving a mandate from the APM Group’s Compliance Officer. Investigative reports are tabled to the Audit Committee for deliberation and decision on the next course of action to be taken.</p> <p>The Fraud and Whistleblowing Policies are published on the Company’s intranet and website.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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

Practice 4.1

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

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

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board is collectively responsible for the long-term success of a company and the delivery of sustainable value to its stakeholders. In discharging its fiduciary duties and leadership functions, the Board takes full responsibilities to govern and set the strategic direction of the company while exercising oversight on management. The Board sets the tone at the top and their expectations on sustainability which entail the economic, environmental, social and governance perspectives in the Group's business and strategies.</p> <p>The Board acknowledges the importance of integrating sustainability considerations in corporate strategy, governance and decision-making, as sustainability and its underlying economic, environmental, social as well as governance issues are increasingly being material to the ability of the Company and its subsidiaries to create durable and sustainable value and maintain confidence of their stakeholders.</p> <p>For a start, the Board formed the Sustainability Committee in 2017 by combining it with the Risk Management Committee, and renamed it as "Risk Management and Sustainability Committee". The RMSC consists of the Executive Directors, an Independent Director and senior management. The principal role of RMSC is to assist the Board to fulfil its sustainability oversight responsibilities, where the power to decide on sustainability issues remains with the Board. Furthermore, sub-committees, i.e., Sustainability Working Committees ("SWCs") had been formed to primarily supervise the implementation of sustainability initiatives allocated to them. SWCs are also assigned to chart out sustainability goals as well as to define missions, strategy, policies and messages. They also devise action plans for those in charge to execute ("Persons-in-Charge" or "PIC"). These PICs report to the SWCs on the progress and status of the action plans they have been entrusted with.</p> |

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| | <p>The primary liaison person between the SWCs and RMSC is the Chief Risk and Sustainability Officer (“CRSO”), who is appointed from amongst members of the RMSC. The CRSO works with the various SWCs to integrate a culture of corporate responsibility and attention to the economy, environment and community.</p> <p>The sustainability development report, complete with priorities and Key Performance Indicator (KPI) targets and actual performance, including action plans, are then presented to the RMSC for deliberation, and the outcome of which is disseminated to the Audit Committee and the Board for review, deliberation, comments and endorsement.</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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Company believes that engagement with various stakeholders is integral in steering the Group towards its long-term sustainability goals.</p> <p>In its efforts of aligning sustainability strategies, priorities and targets during the financial year under review, the Company conducted a materiality assessment to identify the material sustainable matters that were important to both the Group as well as the stakeholders. The process involved engagement with internal stakeholders, from managers to members of the senior management team and the Board of Directors, with the aim of eliciting inputs therefrom and also engagement with external stakeholders. This was followed by formulation of the targets on material sustainability matters, i.e., specific Key Performance Indicators (“KPI”) for the selected material sustainable matters.</p> <p>Details of the stakeholders’ engagement on sustainability issues and the material sustainable matters with KPI targets set out in the Company’s Sustainability Statement included in the Annual Report are available on the Company’s website at www.apm.com.my.</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.

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| Application | : | Departure |
| Explanation on application of the practice | : | |
| Explanation for departure | : | <p>The expectations on Directors have evolved significantly owing to changes in the corporate, economic and social landscape. Directors are now expected to exercise greater vigilance and professional scepticism in understanding and shaping the strategic direction of the Company, including an expectation on integrating sustainability considerations in corporate strategy, governance and decision-making, as sustainability and its underlying environmental, social as well as governance (ESG) issues have become increasingly material to the ability of companies to create durable and sustainable value and maintain confidence of stakeholders.</p> <p>Addressing such expectations clearly requires a shared focus and strategies, such as enhancing sustainability literacy, enables individuals to be more committed towards building a sustainable future and assisting in making informed and effective decisions to this end.</p> <p>The Board, through the NRC, had carried out an annual review of the Directors' training needs for continuous professional development in 2022, and the topic on Sustainability was one of major focuses and considerations. The Board concurs that it is imperative to strengthen Directors' knowledge and understanding on the sustainability agenda, covering Environmental, Economic, Social and Governance (EESG) as well as climate-related risks and opportunities, that are relevant to the Group's business.</p> <p>The Company will arrange for relevant training, whether internal or external, on sustainability for all Directors to enhance their knowledge on EESG agenda to enable them to contribute more effectively in boardroom dynamics when sustainability matters are being discussed by the Board.</p> |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |

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| Measure | : | Please explain the measure(s) the company has taken or intend to take to adopt the practice. | |
| Timeframe | : | Choose an item. | |

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.

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| Application | : | Departure |
| Explanation on application of the practice | : | |
| Explanation for departure | : | <p>The Board, through the NRC, will include an assessment of how well sustainability matters have been managed by the Board and Senior Management, when the annual evaluation of the Board, its Committees and each individual Director is conducted in 2022. This extended scope of assessment will include how well the Board and Senior Management have performed their respective roles, such as measuring progress against the achievement of sustainability targets.</p> <p>The Board opines that for setting the performance evaluation on sustainability matters, it requires a holistic approach with proactive and effective measures to anticipate and address material EESG risks and opportunities.</p> <p>Nevertheless, the Directors, through the RMSC had carried out a review on the sustainability performance of the Group for the financial year ended 31 December 2021. The review indicated that the overall performance of the Group in achieving the sustainability targets was rated above average.</p> <p>The Board, having considered the suggested questionnaire recommended under the Corporate Governance Guide 4th Edition: Rise Together ("CG Guide") issued by Bursa Malaysia Berhad in December 2021, will modify the existing performance assessment questionnaire as appropriate, and incorporate the suggested assessment questions of the CG Guide suitable for the performance evaluation of the Board and Senior Management for financial year ending 2022 onwards in accordance with the Company's needs and circumstances.</p> |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | Please explain the measure(s) the company has taken or intend to take to adopt the practice. |

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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.

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| Application | : | Adopted |
| Explanation on adoption of the practice | : | Under the terms of reference of RMSC, the CEO is the CRSO with the role to coordinate, oversee and monitor the progress of the sustainability activities. |

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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The NRC had taken action to review the composition of the Board on the need for appointment of additional Directors in November 2021 following the retirement, resignation and demise of Directors.</p> <p>The Board, upon the recommendation of the NRC, appointed 2 Directors to strengthen the Board in terms of its composition of Executive and Independent Non-Executive Directors. New Directors, namely, Ms. Khoo Peng Peng (Executive) and Dato' Azmil bin Mohd Zabidi (Independent Non-Executive) were appointed in early January 2022 and February 2022 respectively. With the appointment of Ms. Khoo, the Board's gender diversity in terms of women Directors has been enhanced, as the number of women on Board is now 2.</p> <p>The NRC had also conducted an annual assessment of the Board, Board Committees and individual Directors to evaluate their performance. Based on the assessment results, the NRC and the Board were satisfied with the performance of the Directors and concluded that each Director has the requisite competence and capability to serve on the Board and had sufficiently demonstrated their commitment to the Group in terms of time and participation during the year under review. No significant concerns on weakness were noted from the assessment although some minor areas to enhance Directors' interaction and effectiveness were highlighted for improvements.</p> <p>Accordingly, the Board, based on the NRC's recommendations, supports the re-election of the retiring Directors at the Company's forthcoming 25th Annual General Meeting ("AGM").</p> |
| Explanation for departure | : | |
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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 5.2

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

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| Application | : | Departure |
| Explanation on application of the practice | : | |
| Explanation for departure | : | <p>The Board currently consists of nine (9) members, comprising four (4) Executive Directors and five (5) Non-Executive Directors, of whom four (4) are Independent Non-Executive Directors.</p> <p>The Board, having reviewed its size and composition in 2021, is satisfied that its current size and composition is appropriate and adequate to meet the Company's needs. The Directors, with their diverse backgrounds and specialisations, collectively bring with them a wide range of experience and expertise in areas such as entrepreneurship, engineering, finance, accounting, audit, corporate governance and risk management as well as marketing and operations. The profile of each Director is set out in the Company's Annual Report.</p> <p>The Board is aware that its current composition is not in line with the desired practice of having at least half of the Board comprising Independent Non-Executive Directors.</p> <p>The presence of four (4) Independent Directors in the Board of APM in substance carries weight in Board decisions that promote a long-term interest for the Company and its shareholders, employees, customers and other stakeholders. This is underpinned by their willingness to challenge Management's proposals with questions objectively, and debate constructively during Board meetings to reinforce the relevant checks and balances in the Board's decision-making process.</p> <p>Therefore, the Board opines that its lack of having 50% Independent Non-Executive Directors does not jeopardise the independence element in deliberations, to ensure all decisions are made in the best interest of the Company.</p> <p>Nevertheless, the Board remains guided by the Practices of the MCCG 2021, although there are currently no plans to adopt Practice 5.2.</p> |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |

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| Measure | : | Please explain the measure(s) the company has taken or intend to take to adopt the practice. | |
| Timeframe | : | Choose an item. | |

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.

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| Application | : | Departure |
| Explanation on application of the practice | : | |
| Explanation for departure | : | <p>Dato' N. Sadasivan s/o N.N. Pillay has served as an Independent Non-Executive Director beyond a cumulative term limit of nine (9) years.</p> <p>Following an assessment and recommendation by the NRC, the Board was of the opinion that the independence of Dato' N. Sadasivan remained unimpaired and his judgement over business dealings of the Company was not influenced by the interest of other Directors or substantial shareholders.</p> <p>Accordingly, the Board resolved to recommend the continuation in office of Dato' N. Sadasivan as an Independent Non-Executive Director for approval by shareholders at the forthcoming 25th AGM.</p> <p>With the calibre, qualifications, experience and personal traits, particularly on integrity and objectivity, possessed by Dato' N. Sadasivan, the Board believes that Dato' N. Sadasivan is well positioned to discharge his duties and responsibilities as an Independent Non-Executive Director towards meeting the Company's needs for the ensuing year, and he can continue to perform his duties without being subjected to undue influence. Key justifications for retaining him as an Independent Non-Executive Director are disclosed in the Notice of AGM of the Company's Annual Report 2021.</p> <p>Practice 5.3 of the MCGG 2021 states that if the Board continues to retain an Independent Non-Executive Director after the ninth year, the Board should seek annual shareholders' approval through a two-tier voting process.</p> <p>The Board is guided by a legal opinion that the two-tier voting outlined in the MCGG 2021 is not compatible with the provision of Section 291 of the Companies Act, 2016. As there is only one class of ordinary shares in the Company, the rights of the shareholders, including the right to</p> |

| | | |
|---|--|---|
| | <p>vote, shall rank pari passu. This is irrespective of whether a shareholder is a “Large Shareholder” (as defined in the MCG 2021) or a shareholder other than such a “Large Shareholder”. A resolution which is passed by a majority of shareholders must be regarded as having been validly passed as a matter of law irrespective of whether a majority of both the “Large Shareholders” and other shareholders had voted in favour of such a resolution as required under the MCG 2021.</p> | |
| | <p>Based on the legal opinion, the Board is of the view that the “two-tier voting process” is unworkable as a matter of law and that the only legally permissible way for shareholders of the Company to approve the continuance in office of Dato’ N. Sadasivan as an Independent Non-Executive Director for the ensuing year is to pass an ordinary resolution to that effect.</p> <p>Accordingly, the Board will seek shareholders’ approval at the forthcoming AGM for the continuation in office of Dato’ N. Sadasivan as an Independent Non-Executive Director via the usual single-tier voting. This process allows shareholders to provide sounding to the Board on the Independent Non-Executive Director who has served beyond the ninth year.</p> | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |
| <p>Measure</p> | <p>:</p> | <p>Please explain the measure(s) the company has taken or intend to take to adopt the practice.</p> |
| <p>Timeframe</p> | <p>:</p> | <p>Choose an item.</p> |

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.

| | | |
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| Application | : | Not Adopted |
| Explanation on adoption of the practice | : | |

Intended Outcome

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

Practice 5.5

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

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

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board recognises that a diverse board can offer greater depth and breadth compared to a non-diverse one. The Board also views diversity at Senior Management level as a profile that provides constructive debates, which lead to better decisions. It enables discussion of the same matter in differing perspectives and equips the Company to face challenges in an ever-changing environment.</p> <p>Appointment to the Board of APM is based on objective criteria, merit and with due regard for diversity. The criteria for recruitment process and annual assessment of Directors are contained in the NRC's Terms of Reference and published on the Company's website. Similarly, the appointment of Senior Management is made with due regard for diversity in skills, experience, age, cultural background and gender.</p> <p>To enhance its effectiveness, the Board ensures its members have the relevant skills, experience, expertise and time commitment. The NRC is entrusted by the Board to appraise candidates for directorship, including those who retire and offer themselves for re-election or election and those Independent Non-Executive Directors, whose tenure has exceeded a cumulative 9-year term, before recommending to the Board.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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

Practice 5.6

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

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

| | | | | | | | | | |
|--|--|---|--|--|--|--|--|--|--|
| Application | : | Applied | | | | | | | |
| Explanation on application of the practice | : | <p>The Board has stipulated specific terms of reference for the NRC, which cover, inter-alia, assessing and recommending to the Board the candidature of Directors, appointment of Directors to Board Committees and training programmes for the Board. In the nomination and election of new Director, the NRC carries out the requisite evaluation and assessment of the candidate’s ability to discharge his/her duty effectively, before making recommendation to the Board for approval, if deemed suitable. The NRC is guided by the following processes for the on-boarding of new Director:</p> <table border="1" data-bbox="589 1073 1377 1444"> <tr> <td data-bbox="589 1073 787 1444"> Prospective candidates are recommended by Directors to fill casual vacancy or additional position. (Step 1) </td> <td data-bbox="787 1073 985 1444"> The profiles of prospective candidates are reviewed by NRC, followed by interview with the candidates. (Step 2) </td> <td data-bbox="985 1073 1183 1444"> If assessed to be suitable, NRC recommends for Board’s consideration and decision. (Step 3) </td> <td data-bbox="1183 1073 1377 1444"> Board’s deliberation and decision. (Step 4) </td> </tr> </table> <p>In identifying candidates for appointment of Directors, the NRC does not solely rely on recommendations from existing Board members, Management or major shareholders. The Board also considers recommendations from other independent sources, for example, the Institute of Corporate Directors Malaysia, 30% Club and external consultants to ensure that it is able to identify the most suitable candidates.</p> <p>The appointment of two (2) new Directors in 2022, namely Ms. Khoo Peng Peng and Dato’ Azmil bin Mohd Zabidi were deliberated and approved by the Board based on the above appointment process.</p> | | | | Prospective candidates are recommended by Directors to fill casual vacancy or additional position. (Step 1) | The profiles of prospective candidates are reviewed by NRC, followed by interview with the candidates. (Step 2) | If assessed to be suitable, NRC recommends for Board’s consideration and decision. (Step 3) | Board’s deliberation and decision. (Step 4) |
| Prospective candidates are recommended by Directors to fill casual vacancy or additional position. (Step 1) | The profiles of prospective candidates are reviewed by NRC, followed by interview with the candidates. (Step 2) | If assessed to be suitable, NRC recommends for Board’s consideration and decision. (Step 3) | Board’s deliberation and decision. (Step 4) | | | | | | |

| | | |
|--|---|--|
| 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>Under the profile of the Directors in the Annual Report, it includes particulars of the Directors, covering their education background, experience, relationship with any Director and/or major shareholders abstention by the individual Director from voting and deliberating in respect of transactions between the Group and related parties involving him or her. The notice of the Annual General Meeting (“AGM”) also provides the Board’s justifications for the Director who seeks shareholders’ approval to continue in office as Independent Non-Executive Director.</p> <p>At the forthcoming AGM, the Chairman of the meeting will inform the shareholders that the respective information of the Directors is available on the Annual Report and remind those Directors who have interest in the recurrent related party transactions to abstain from deliberating and voting on the shareholders’ mandate for recurrent related party transactions.</p> <p>The information on the proposed re-election of Directors, who are subject to retire in accordance with Articles 77 and 98 of the Company’s Constitution, are included in the explanatory notes of the Company’s Notice of 25th AGM dated 29 April 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 5.8

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

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|--|---|--|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The NRC, which consists of entirely Independent Non-Executive Directors, is chaired by Dato' N. Sadasivan s/o N.N. Pillay, the Senior Independent Director ("SID") of the Company. He can be contacted at SeniorID@apm.com.my.</p> <p>The specific responsibilities of the SID are as set out in the Board Charter, which is available on the Company's website at www.apm.com.my.</p> | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

| | | | |
|--|---|---|--|
| Application | : | Departure | |
| Explanation on application of the practice | : | | |
| Explanation for departure | : | The Board currently comprises nine (9) Directors, out of whom two (2) are women, which is less than 30% i.e. 3 persons at the Board level. The current composition is in line with the gender diversity target set in the Board Diversity Policy, where the Board shall comprise at least a female Director at any time to provide gender diversity. | |
| | | <p>The Board is of the view that appointments to the Board must always be based on merit, with due regard to the candidate's background, integrity, competence, knowledge, skill-sets experience and availability of time to devote to the Company. This includes whether such appointment complements or enhances the existing mix of skill and experience of the Board.</p> <p>Nonetheless, the Board acknowledges the importance of boardroom diversity and takes cognisance of recommendation of the MCCG 2021 to have at least 30% women directors. The Board, through the NRC, will continue to review the Board's composition and consider the appointment of additional woman director(s) as and when there are right candidates available and based on credentials, although no specific timeline has been set by the Board.</p> | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | Please explain the measure(s) the company has taken or intend to take to adopt the practice. | |
| Timeframe | : | Choose an item. | |

Intended Outcome

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 | : | Departure | |
| Explanation on application of the practice | : | | |
| Explanation for departure | : | <p>The Board has formalised a Board Diversity Policy, set out in the Board Charter, which is uploaded on the Company's website. The Board Diversity Policy provides that the Board shall comprise at least a female Director at any time to provide gender diversity.</p> <p>There is no policy on gender diversity for senior management.</p> | |
| | | <p>The Board recognises the importance of diversity, including gender diversity, in contributing to a variety of perspectives in the Board and Senior Management's roles.</p> <p>However, the Board believes that the selection of candidates for Senior Management roles should not be confined to gender but based on their experience, education, expertise, judgment, personal qualities as well as general and sector-specific knowledge. As of 31 December 2021, there were six (6) females holding the position of Senior Management in the Group, including the position of Chief Financial Officer.</p> | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | Please explain the measure(s) the company has taken or intend to take to adopt the practice. | |
| Timeframe | : | Choose an item. | |

Intended Outcome

Stakeholders are able to 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 Board, through the NRC, carries out an annual performance evaluation to determine the effectiveness of the Board as a whole, Board Committees and individual Directors.</p> <p>KPMG Management & Risk Consulting Sdn. Bhd., an external consultant, was engaged in 2013 to assist the NRC in the evaluation process. Subsequently, the assessment has been conducted internally and facilitated by the Company Secretary.</p> <p>On 19 January 2022, the NRC met to review and assess the effectiveness of the Board as a whole, the Board Committees and performance of individual Directors, including the independence of Independent Non-Executive Directors for the financial year ended 31 December 2021, based on a "self and peer" assessment approach which was documented. This approach took into consideration the mix of skills, experience, contribution, performance, competency, personality, integrity and time commitment of each Director to effectively discharge his or her role as part of the Board, Board Committees as well as a Director of the Company. The NRC also considered gender diversity in relation to the composition of the Board. In assessing the independence of Independent Non-Executive Directors for the financial year under review, the criteria set out in paragraph 1.01 and Practice Note 13 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") were deployed.</p> <p>No significant concerns on weakness were noted from the assessment although some minor areas to enhance Directors' interaction and effectiveness were highlighted for improvements.</p> <p>From results of the assessment and based on the NRC's recommendation, the Board was satisfied that the Board and Board Committees have discharged their duties and responsibilities</p> |

| | | |
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| | effectively. Accordingly, the Board recommended the re-election of the retiring Directors and the continuance in office of the Independent Non-Executive Director who has served beyond 9 years as the Company's Independent Non- Executive Director, for shareholders' approval at the forthcoming AGM. | |
| Explanation for departure | : | |
| | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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 NRC is entrusted by the Board to review and recommend the policies and procedures on matters relating to the remuneration of Directors and Senior Management and making recommendations of the same to the Board for approval.</p> <p>Based on recommendation of the NRC, the Board has formalised a Remuneration Policy, including its associated procedures, for Directors and Senior Management in 2018. The Policy addresses, amongst others, determination of remuneration of Executive Directors and Senior Management, considering their roles, responsibilities, individual performance vis-à-vis targets and performance of the Group. The remuneration of Non-Executive Directors is not tied to performance of the Group or Company but is commensurate with the level of responsibility entrusted by the Board. According to the terms of the said Policy, the NRC shall assess and review the adequacy, effectiveness and continued relevance of the policies and procedures at least once in every 3 years.</p> <p>The said Remuneration Policy was last updated and adopted by the Board on 18 January 2021, which is available on the Company's website at www.apm.com.my.</p> <p>The Company will seek shareholders' approval in respect of the payment of Directors' fees and benefits at the forthcoming 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

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 Nominating Committee, which was formed in 2013, has expanded its functions to assist the Board in implementing policies and procedures on matters relating to the remuneration of Board members and Senior Management. Hence, the Board has renamed the "Nominating Committee" as "Nominating and Remuneration Committee" in November 2017.</p> <p>The Terms and Reference of the NRC, which were last reviewed by the NRC in November 2021, are set out in the Board Charter, uploaded on the Company's website at www.apm.com.my.</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 | : | Save for Ms. Khoo Peng Peng and Dato' Azmil bin Mohd Zabidi, who were newly appointed to the Board on 5 January 2022 and 1 February 2022 respectively, details of the remuneration received or to be received by Directors of the Company for the financial year ended 31 December 2021 from the Company and Group are set out 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 | Dato' Tan Heng Chew | Executive Director | - | 30 | 1,512 | 756 | - | 688.6 | 2,986.6 | - | 30 | 1,512 | 756 | - | 688.6 | 2,986.6 |
| 2 | Dato' N. Sadasivan s/o N.N. Pillay | Independent Director | 112.2 | 18 | - | - | - | - | 130.2 | 112.2 | 18 | - | - | - | - | 130.2 |
| 3 | Dato' Chan Choy Lin | Independent Director | 112.2 | 16.8 | - | - | - | - | 129 | 112.2 | 16.8 | - | - | - | - | 129 |
| 4 | Lee Min On | Independent Director | 112.2 | 19.5 | - | - | - | - | 131.7 | 112.2 | 19.5 | - | - | - | - | 131.7 |
| 5 | Lee Tatt Boon (Resigned on 15/09/2021) | Independent Director | 79.5 | 12 | - | - | - | - | 91.5 | 79.5 | 12 | - | - | - | - | 91.5 |
| 6 | Nicholas Tan Chye Seng | Non-Executive Non-Independent Director | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 7 | Dato' Tan Eng Hwa | Executive Director | - | - | - | - | - | - | - | - | - | 1,238.3 | 309.6 | 24.6 | 397.3 | 1,969.7 |
| 8 | Low Seng Chee | Executive Director | - | - | - | - | - | - | - | - | - | 1,310.9 | 327.7 | 16.8 | 196.6 | 1,852 |
| 9 | Sow Soon Hock (Deceased on 04/11/2021) | Executive Director | - | - | - | - | - | - | - | - | - | 560.1 | 68.1 | 15.3 | 22.4 | 665.9 |
| 10 | Siow Tiang Sae (Retired on 03/06/2021) | Executive Director | - | - | - | - | - | - | - | - | - | 304.1 | 76 | 3.9 | 15.2 | 399.2 |
| 11 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 12 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 13 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |

| | | | | | | | | | | | | | | | | |
|----|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 14 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 15 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |

Intended Outcome

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

Practice 8.2

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

| | | |
|---|---|---|
| Application | : | Departure |
| Explanation on application of the practice | : | |
| Explanation for departure | : | <p>The Board is of the view that the disclosure of Senior Management's remuneration on a named basis, with various remuneration components, is not in the best interest of the Group as it gives rise to recruitment and talent retention issues, and this may lead to those high-performing Senior Management personnel being poached by competitors. Hence, the Group risks losing high calibre personnel, who have been contributing to the Group's performance.</p> <p>The Company, as an alternative, opted to disclose the names of key Senior Management of the Group and aggregate remuneration of the key Senior Management on a Group basis. Key Senior Management of the Group comprises the heads of major subsidiary, who have the authority and responsibility for planning, directing and controlling business operations of the Group's core business and major subsidiaries' business activities.</p> <p>The current key Senior Management (excluding Executive Directors) of the Group are Mr. Siow Tiang Sae, Mr. Ng Boon Hooi, Mr. Kho Kiat Seng, Mr. Chye Mun Heng, Mr. Ng Kok Boon, Mr. David Haswell Brown, Mr. Chin Sze Cheon, Mr. Ling I Yeng and Mr. Lee Wing Hong, the designations and profiles of whom are disclosed in the Company's Annual Report 2021. The aggregate remuneration (inclusive of salaries and other benefits-in-kind) of these key senior management for the financial year ended 31 December 2021, on a Group basis, was RM4,039,539.65.</p> <p>The Board has, in 2018, formalised the remuneration policies and procedures to ensure that the remuneration of senior management personnel is appropriately commensurate with their roles and responsibilities, level of skills, experience and performance in order to attract, retain and motivate them to contribute positively towards the Group's performance.</p> |

| | | |
|---|--|---|
| | <p>The performance of Senior Management is evaluated on an annual basis and measured against the targets set for the year. The remuneration packages are reviewed annually, and adjustments to their remuneration are made based not only on their individual performances and contributions, but also on the Group's overall performance.</p> | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |
| <p>Measure</p> | <p>:</p> | <p>Please explain the measure(s) the company has taken or intend to take to adopt the practice.</p> |
| <p>Timeframe</p> | <p>:</p> | <p>Choose an item.</p> |

| 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 consists of four (4) members, all of whom are Independent Non-Executive Directors. The Chairman of the Audit Committee is Mr. Lee Min On, who is not the Chairman of the Board. | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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>Pursuant to the Terms of Reference of the Audit Committee, no former partner of the external audit firm of the Company and/or its affiliate firms, including those providing advisory services, tax consulting, etc. shall be appointed as a member of the Committee unless he/she has ceased as a partner of the external audit firm or its affiliates for a period of at least 3 years.</p> <p>The above Terms of Reference, which were last reviewed by the Audit Committee in November 2021, are set out in the Board Charter, uploaded on the Company's website at www.apm.com.my.</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 annual assessment of 2021 on the competency and independence of the external auditors, KPMG PLT, was conducted by the Audit Committee via a set of assessment questionnaire. In assessing KPMG PLT's performance and suitability, the Audit Committee considered, inter-alia, the independence, objectivity, professionalism, quality of services, sufficiency of resources, appropriateness of audit fee, and communication and interaction with KPMG PLT as well as the non-audit services rendered to the Group. Information presented in the Annual Transparency Report of KPMG PLT, especially on its leadership and governance structure, as well as measures undertaken by the firm to uphold audit quality and manage risks, and pertinent feedback from Management, who interacted with the external auditors, were obtained by the Audit Committee to augment its assessment of the external auditors.</p> <p>The Audit Committee received assurance from KPMG PLT in writing confirming that they were, and had been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out in the By-Laws (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accounts and the International Ethics Standards Board for Accountants - Code of Ethics for Professional Accountants.</p> <p>Based on outcome of the annual assessment conducted in February 2022 on the KPMG PLT's performance, technical competence and professional independence, the Audit Committee is satisfied with the firm's performance and recommended to the Board for the re-appointment of KPMG PLT as external auditors of the Company for the financial year ending 31 December 2022, a resolution of which will be tabled at the forthcoming AGM to be voted on by the shareholders.</p> |
| Explanation for departure | : | |

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

| | | |
|--------------------|--|--|
| Measure : | | |
| Timeframe : | | |

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

| | | |
|--|---|--|
| Application | : | Adopted |
| Explanation on adoption of the practice | : | <p>The Audit Committee comprises the following members, all of whom are Independent Non-Executive Directors:</p> <p><u>Chairman</u> Lee Min On</p> <p><u>Members</u> Dato' N. Sadasivan s/o. N.N. Pillay Dato' Chan Choy Lin Dato' Azmil bin Mohd Zabidi</p> <p>Based on a self-evaluation and declaration by individual members of the Audit Committee (save for Dato' Azmil bin Mohd Zabidi who was appointed on 1 February 2022) in January 2022, the Board is satisfied that all the Committee members fulfilled the independence criteria under the Main Market Listing Requirements of Bursa Securities.</p> |

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>All the Audit Committee members are financially literate and carried out their duties in accordance with the Committee's Terms of Reference approved by the Board.</p> <p>The Committee members have attended relevant continuous professional development programmes to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules. Besides, there were also briefings by the external auditors and the Chief Financial Officer on the relevant updates pertaining to financial reporting standards and regulatory requirements from time to time during the Audit Committee meetings.</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 10.1

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

| | | |
|---|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board has implemented a comprehensive risk management framework and established a process for identifying, evaluating, reporting and monitoring significant risks faced by the Group in its operations. Such risks comprise strategic, financial, operational, sustainability, cybersecurity and compliance risks as well as a system of internal control to mitigate such exposures. This Enterprise Risk Management Framework that the Group has adopted is largely aligned with globally accepted risk management standards such as the ISO 31000:2018 Risk Management-Guidelines.</p> <p>The system of risk management and internal control is reviewed on a periodic basis by the Board in terms of its continuing adequacy and operating effectiveness in all material aspects. The Audit Committee, which has been entrusted by the Board to oversee risk management and internal control activities, assists the Board in reviewing the adequacy and operating effectiveness of the system of risk management and internal control in the Group – such a review is conducted by the Group's in-house Systems and Internal Audit, which reports to the Audit Committee any weaknesses noted in the system of risk management and internal control, with recommendations for remediation by Management.</p> <p>The implementation and maintenance of the risk management process is carried out by the RMSC, assisted by subsidiaries' Management who is tasked to manage business risks as well as develop, implement and monitor the system of internal control.</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>As risk management is an integral activity that undergirds the Group's business operations, the Group's Risk Management Framework includes, inter-alia, a methodical process to identify, evaluate, control, report and monitor business risks faced by the Group in its business operations. Individual business risks as identified are scored for their likelihood of occurrence and the impact thereof based on a '5 by 5' risk matrix deploying parameters established for each key business unit or function in the Group.</p> <p>The risk parameters comprise relevant financial and non-financial metrics for risks to be evaluated in terms of likelihood of their occurrence and the impact thereof – this feature essentially articulates the extent of risk the Group is prepared to take or seek in achieving its corporate objectives. The metrics used in quantifying the risks are based on risk parameters that are considered appropriate to reflect the risk appetite of the Group.</p> <p>Whilst the RMSC is tasked with the responsibility of creating risk-awareness amongst employees in the Group and monitoring key risks faced in the Group's operations, the subsidiaries' Management is responsible for managing business risks, including developing, implementing and monitoring mitigating measures to manage such risks to acceptable levels. As part of its remit, the independent in-house Systems and Internal Audit ("SIA") Department reviews the process on how risks are identified and evaluated by process owners, the progress of implementation of the subsidiaries' risk response plans and assesses the effectiveness of controls in managing the relevant risks. The results of the reviews are presented at RMSC meetings for further deliberations as needed.</p> <p>Further details on how key risk areas are evaluated and the controls in place to manage those risks can be found under the Statement on Risk Management and Internal Control in the Company's Annual Report 2021.</p> |

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

Intended Outcome

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

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

Practice 10.3 - Step Up

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

| | |
|--|-------------|
| Application : | Not Adopted |
| Explanation on adoption of the practice : | |

Intended Outcome

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

Practice 11.1

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

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Company has established an in-house Systems and Internal Audit Department (“SIA”), which is independent of the activities it audits. The SIA Department, helmed by the Head of SIA, reports directly to the Audit Committee on the adequacy and operating effectiveness of the Group’s system of risk management and internal controls from the perspectives of governance, risks and controls, anti-corruption and whistleblowing processes. All internal audits carried out are guided by the International Professional Practices Framework of the Institute of Internal Auditors, a globally recognised professional body for internal audit.</p> <p>The scope and extent of internal audit carried out by the SIA Department are set out in the Risk Management and Internal Control Statement in the Company’s Annual Report 2021.</p> <p>The Audit Committee had, in February 2022, conducted an evaluation of the Head of SIA in terms of his competence, quality and timeliness of reporting as well as his independence for the financial year under review. From the outcome of the evaluation, the Audit Committee is satisfied with his competence, effectiveness and ability to function independently.</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 SIA Department currently consists of 3 personnel and is headed by Mr. Chong Choon Ket, a Deputy General Manager. He is a member of the Malaysian Institute of Accountants, a Fellow Member of the Association of Chartered Certified Accountants and a Chartered Member of The Institute of Internal Auditors, Malaysia.</p> <p>The internal audit function is independent of the activities it audits and carries out its work in accordance with the International Professional Practices Framework of the Institute of Internal Auditors, enshrined in the Internal Audit Charter.</p> <p>The Head of SIA had, in February 2022, confirmed the internal audit's independence to the Audit Committee, where he had signed the annual declaration that he and his team were and had been free from any relationship or conflicts of interest which could impair their objectivity and 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

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

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

Practice 12.1

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

| | | |
|--|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board has formalised and adopted corporate disclosure policies and procedures with the objective of ensuring communications to the public are timely, factual, accurate, complete, broadly disseminated and, where necessary, filed with regulators in accordance with applicable laws and regulations.</p> <p>The various channels of communications with shareholders are through the quarterly announcements on financial results to Bursa Securities, relevant announcements and circulars, as needed by the Main Market Listing Requirements of Bursa Securities, the Annual and/or Extraordinary General Meetings and through the Group's website at www.apm.com.my where shareholders and other stakeholders can access corporate information, annual reports, press releases, financial information and Company's announcements. To maintain a high level of transparency and to effectively address any issues or concerns, the Group has a dedicated electronic mail, i.e., apmah@apm.com.my to which stakeholders can direct their queries or concerns.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

| | | | |
|--|---|---|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | The Notice of 24th AGM dated 30 April 2021 was sent to shareholders 28 days before the 24 th AGM, which was held on 3 June 2021, in advance of the 21-day requirement under the Company's Constitution, the Companies Act, 2016 and the Main Market Listing Requirements. This provided additional time to shareholders to enable them to make the necessary arrangements to attend and participate in person or by corporate representatives or proxies and consider the resolutions that were to be tabled and voted on at the last AGM. | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 13.2

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>All Directors, including the Chair of Board Committees, attended and participated at the Company's 24th Annual General Meeting ("AGM") held on 3 June 2021.</p> <p>The attendance of all Directors at the AGM presented opportunities for shareholders to engage with each Director and allowed them to raise any questions and concerns directly to the 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

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>The Company has leveraged technology to conduct its 24th AGM on a fully virtual basis through the online meeting platform at TIIH Online website provided by the service provider Tricor Investor & Issuing House Services Sdn. Bhd. (“Tricor”) and online remote voting.</p> <p>Shareholders were allowed to attend, participate, speak (in the form of real time submission of typed texts) and vote remotely at the 24th AGM using the Remote Participation and Voting (“RPV”) facilities provided by Tricor via TIIH Online website at https://tiih.online. As all resolutions were poll-voted, Tricor was appointed as the Poll Administrator to conduct the e-polling process and Asia Securities Sdn. Berhad as the Scrutineers to verify the poll results for the 24th AGM.</p> <p>The Company worked closely with the service provider, i.e., Tricor, to ensure good cyber hygiene practices, where the information of the shareholders/ proxy holders was kept in a safe and sound system.</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 13.4

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 | : Besides the Directors and CEO, the Chief Financial Officer and External Auditors also attended the 24 th AGM of the Company to respond to shareholders' queries. During the AGM, the CEO shared with the shareholders the Group's overall business and financial performance, its challenges and key achievements for the financial year 2020. The shareholders were invited to use the query box facility (real time) to transmit questions during the Meeting before putting a resolution to vote. To further encourage engagement between the Directors and shareholders, shareholders were also encouraged to send questions before the meeting in relation to the agenda items for the 24 th AGM. All questions submitted in advance of the AGM and questions posed by the shareholders during the AGM were properly addressed and answered by the Board members. Those questions raised during the Meeting that were not addressed were subsequently included together with other questions in the minutes of the 24 th AGM, available on the Company's website. |
| Explanation for departure | : |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | |
| Measure | : |
| Timeframe | : |

Intended Outcome

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

Practice 13.5

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

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.

| | | |
|---|---|---|
| Application | : | Departure |
| Explanation on application of the practice | : | |
| Explanation for departure | : | <p>Due to the announcement on a full lockdown by the government in Malaysia, the 24th AGM of the Company was conducted fully virtual through the online meeting platform at TIIH Online website at https://tiih.online provided by Tricor.</p> <p>Several rehearsals and mock AGM were held online for the Board and Senior Management prior to the AGM to avoid any technical glitch and ensure smooth broadcast and seamless experience for shareholders during the AGM. The Company's IT team together with IT team of the service provider, Tricor also stood by to provide full IT support to the Directors. Relevant Helplines and email set up by the service provider, Tricor, were also provided to the shareholders should they encounter any issues with logging-in, connection to the online meeting or the online voting on the meeting day.</p> <p>Questions received in advance from the shareholders were posed together with the answers on the screen for viewing by the shareholders while questions posed during the Meeting were read out by the Chairman or CEO.</p> <p>The questions posed by the shareholders on real time typesetting were not flashed out on the screen simultaneously as Management opined that the focus should be given to those pertinent questions related to the business and there were areas of overlap in the scope of questions asked. Thus, related and/or similar questions were curated, grouped and answered collectively.</p> |

| | | |
|---|---|--|
| | <p>Nonetheless, for those questions raised during the Meeting but not addressed were subsequently included together with other questions in the minutes of the 24th AGM, available on the Company's website.</p> | |
| | <p>The shareholders are encouraged to submit their questions to the Company prior to the Meeting, so that the Company could prepare more comprehensive answers. Similar to the past, all questions submitted in advance of the AGM will be flashed out on the screen, and questions posed by the shareholders during the AGM will, with best efforts, be read out, properly addressed by the Board members, and questions raised during the Meeting not addressed will subsequently be included together with other questions in the minutes of the AGM, which will subsequently be made available on the Company's website. The related and/or similar questions post will be curated, grouped and answered collectively, to avoid responding to numerous questions which may be repetitive in nature.</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 | : | Please explain the measure(s) the company has taken or intend to take to adopt the practice. |
| Timeframe | : | Choose an item. |

Intended Outcome

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

Practice 13.6

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

| | |
|--|--|
| <i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i> | |
| Application | : Applied |
| Explanation on application of the practice | : The minutes of the 24 th AGM of the Company held on 3 June 2021 were uploaded onto the Company's website within 30 business days after the conclusion of the AGM for viewing by the shareholders as well as other stakeholders. |
| Explanation for departure | : |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | |
| Measure | : |
| Timeframe | : |

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

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

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