

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 1481  
**COMPANY NAME** : Advance Synergy Berhad  
**FINANCIAL YEAR** : December 31, 2022

## OUTLINE:

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

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

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

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

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

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is committed to ensuring that it provides leadership to the business as a whole, having regards to the interests and views of its shareholders and other stakeholders. It is also responsible for setting the Group's strategy, value and standards. The Board has a formal schedule of matters reserved for its decision as listed in Schedule 6 of the Board Charter which is available on the Company's website at <a href="http://www.asb.com.my">www.asb.com.my</a> within a dedicated Corporate Governance section.</p> <p>The Board delegates specific powers to the Board Committees and delegates the Company's governance and management function to Management through the Group Chair, Group Executive Deputy Chair and Group Managing Director. Day-to-day operations of the Group is delegated to management of the respective subsidiaries through the Group Managing Director.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 1.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Group Chair provides leadership to the Board and the Group and ensures that the Board functions effectively, and is entrusted with the task of instilling good corporate governance practices.</p> <p>The roles and responsibilities of the Group Chair are provided under the Board Charter.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 1.3**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The position of Group Chair, Group Executive Deputy Chair and the Group Managing Director are held by different individuals.</p> <p>There is a clear division of responsibility between the Group Chair, Group Executive Deputy Chair and Group Managing Director and there is a balance of power and authority.</p> <p>Their respective roles and responsibilities are set out in the Board Charter.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 1.4**

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The Chair of the Board is not a member of the Audit Committee ("AC"), Nomination Committee ("NC") or Remuneration Committee ("RC").  The Chair of the Board has not participated in any of the committee meetings.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

**Intended Outcome**

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

**Practice 1.5**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is supported by a qualified company secretary who is an Associate Member of The Malaysian Institute of Chartered Secretaries and Administrators. Her profile is set out on page 79 of the Annual Report 2022. She is a qualified Chartered Secretary and a Chartered Governance Professional.</p> <p>The roles and functions of the Company Secretary are set out in the Board Charter.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 1.6**

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The agenda of the meeting and Board papers are collated and circulated to Directors by the Company Secretary prior to the meeting (if possible, at least 5 business days in advance).</p> <p>During Board and Board Committees meetings, management may provide further details on each issue raised for discussion or supplementary information.</p> <p>Upon conclusion of each meeting, the minutes are prepared and circulated to Directors for review/comments by the Company Secretary in a timely manner. Thereafter, the minutes are signed by the Chair of the Meeting.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 2.1**

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board Charter sets out, among others, the respective roles and responsibilities of the Board, Board Committees, directors and management as well as the relationship with the management.</p> <p>The Board will review the Board Charter periodically and make any necessary or desirable amendments to ensure they remain consistent with the Board's objectives, current laws and best practices.</p> <p>The Board Charter was last updated on 29 November 2022.</p> <p>In addition, there is a schedule of matters reserved specifically for the Board's decision as listed in Schedule 6 of the Board Charter.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**Intended Outcome**

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

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

**Practice 3.1**

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Group continues to recognise the importance of compliance with laws, rules and regulations and guidelines particularly in corporate governance and corporate liability, set a high expectation on its personnel to conduct themselves with high standard of honesty, integrity and accountability at all times in the performance of their duties and ensure that all activities or services are conducted in compliance with the applicable laws, rules, regulations and guidelines. These policies and procedures provide a bird's eye view of the Group corporate governance in place, thereby providing additional assurance to our shareholders and stakeholders knowing that the Group has sound governance and operating with integrity and transparency.</p> <p>A summary of the Code of Ethics and Conduct is set out in the Board Charter.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

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

**Practice 3.2**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group also continued to monitor closely its whistleblowing practices with emphasise in observing the policy and procedures that are in place to provide the necessary avenue and reporting channel for internal staff and external parties – summary of incident report was tabled at every quarterly review meeting of the Risk Management and Sustainability Committee (“RMSC”). To date, there was no such incident report.</p> <p>The ASB Group Whistleblowing Policy and Procedures are made available at the Company’s website: <a href="http://www.asb.com.my">www.asb.com.my</a> under the ‘Corporate Governance’ section.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group's Board together with Management take responsibility for the governance of sustainability in the Group which may include setting the Group's sustainability strategies, priorities and targets. In connection therewith, they are committed to establish and maintain an effective Sustainability Management System which is supported by underlying internal controls, risk management practices, clear accountability and reporting process.</p> <p>The Board takes into account sustainability considerations which include evaluating the Economic, Environmental and Social ("EES") risks and opportunities relevant to the Group when exercising its duties including among others, the development and implementation of the Group's strategies, objectives, business plans, performance measurements, major plans of action and risk management.</p> <p>The management identifies the type of relevant EES issues caused by its day-to-day operations. Management then determines the materiality of the EES issues based on the level of significance of impact and influence on stakeholder values, and the achievement of the Group's strategic objectives. The Board supports and approves the identification and assessment parameters of material EES issues.</p> <p>During the year, the Group supported by an independent consultant conducted workshops and thirteen (13) material sustainability matters were shortlisted and categorised into the three (3) pillars of our sustainability performance management framework as set out in Exhibit 4 on page 31 of the Annual Report 2022.</p>
<b>Explanation for departure</b>	:	

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

**Intended Outcome**

The 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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board would also strive to ensure that the Group's sustainability strategies, priorities and targets as well as performance against such targets are communicated to its internal and external stakeholders.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

The 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board takes appropriate action such as attending training to ensure they stay abreast with and understand the sustainability issues relevant to the Group and its business which may include topics relating to climate-related risks and opportunities.</p> <p>Besides external training, the Group had organised an in-house training attended by our Board members and key management and executives from all divisions/units.</p> <p>The NC also reviewed the training attended by the directors.</p> <p>The Group will continue to provide training and education opportunities through comprehensive development programmes and promote a conducive corporate environment where everyone can achieve their potential.</p> <p>The training attended by the directors, senior management and/or employees of the Group are disclosed on pages 46 to 47 and pages 101 to 103 of the Annual Report.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	Annual review of the performance of the Board and/or senior management may include aspects relating to their performance in addressing the Group’s material sustainability risks and opportunities moving forward.	
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<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	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 4.5- 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.*

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>As part of our commitment towards sustainability, we have established a clear governance structure to ensure compliance and performance of the Group's sustainability.</p> <p>The Board is holding ultimate responsibility for the sustainability management of ASB Group. In 2022, the sustainability matters of ASB Group had been placed under the purview of the RMSC (formerly known as Risk Management Committee).</p> <p>Group Risk Management Unit assists the RMSC to oversee the implementation of Group's sustainability policies and/or framework. The Risk Management Unit of each subsidiary which is part of the Group's sustainability governance structure is assigned to ensure that the day-to-day business activities of the subsidiaries are carried out within the established sustainability framework.</p>



**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NC will assess annually, the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual director.</p> <p>During the financial year ended 31 December 2022, the NC assessed the effectiveness of the Board, Board Committees and individual directors including the directors standing for re-election and recommended to the Board for approval of retiring directors to be re-elected as they met the criteria of characters, experience, integrity, competency, time commitment that enable them to discharge their respective role as director of the Company effectively.</p> <p>Please refer to pages 100 to 101 of our Annual Report on the summary of activities of the NC for the financial year ended 31 December 2022.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.2**

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>For the financial year ended 31 December 2022, the Board of Directors is made up of eight (8) members where three (3) members are Independent Non-Executive Directors representing 37.5% of the Board. Subsequent to the change of the composition of the Directors on 7 April 2023, the current Board of Directors comprises nine (9) members, of which three (3) members are Independent Non-Executive Directors representing 33.33% of the Board. Nonetheless, the composition of the Board meets the Bursa Malaysia Listing Requirements of at least two (2) Directors or one-third (1/3) of the total Board members, whichever is higher, are independent. All the directors are Malaysian.</p> <p>The current directors bring a wide range of business and financial experience, skills and knowledge necessary for the effective stewardship of the Group. Profiles of the directors are set out on pages 69 to 78 of the Annual Report.</p> <p>The presence of three (3) Independent Non-Executive Directors making up one-third (1/3) of the total number of Directors fulfils a pivotal role in ensuring that there is balance of power and authority. Although all the Directors have an equal responsibility for the Group's operations, the role of these Independent Non-Executive Directors are particularly important in ensuring that the strategies proposed by the executive management are fully deliberated upon, and take into account the long term interests of the shareholders, employees, customers, suppliers and the communities in which the Group conducts its business. Together, their representations on the Board fairly reflect the investment of the minority shareholders of the Company and in addition carry sufficient weight for decision making.</p> <p>Each of the Independent Non-Executive Directors is considered independent of management and free of any relationship that could materially interfere with the exercise of their independent judgement.</p>
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*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board, through the NC, evaluates the independence of its independent directors annually in accordance with the criteria as prescribed by the Bursa Malaysia Listing Requirements and the Independent Directors are required to affirm their commitment to bring independent and objective judgement upon their appointments and annually thereafter.</p> <p>During the financial year ended 31 December 2022, the Board, through the NC, has conducted such assessment on all the Independent Directors and each Independent Director has confirmed his/her independence to the NC. Based on the said assessment, the Board is satisfied with the level of independence demonstrated by all the Independent Directors and their ability to act in the best interest of the Company during deliberation at meetings of the Board and Committees.</p> <p>The Malaysian Code of Corporate Governance ("Code") stipulates that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to re-designation as a Non-Independent Director.</p> <p>That notwithstanding, the NC may assess and assist the Board in recommending and providing justification for shareholders' consideration and approval through a two-tier voting process in the event the Board intends to retain an Independent Director after serving a cumulative nine-year term.</p> <p>The shareholders of the Company had at the 98th Annual General Meeting which was held on 30 June 2022 approved to retain Mr Yong Teck Ming as an Independent Non-Executive Director of the Company beyond the twelfth (12th) year through a two-tier voting process.</p> <p>Based on the recommendation of the NC, the Board had on 7 April 2023 unanimously resolved that Mr Yong Teck Ming who has served for more than fifteen (15) years as an Independent Non-Executive</p>

	<p>Director of the Company since his appointment to the Board on 9 July 2007, be re-designated as a Non-Independent Non-Executive Director and from the Chair of the AC to a member of the AC to comply with the requirements of Bursa Malaysia Berhad on the tenure of an independent director via its letters dated 19 January 2022 and 25 May 2022 and Paragraph 15.10 of the Bursa Malaysia Listing Requirements which stated that the Chair of the AC must be an independent director.</p>	
<p><b>Explanation for departure</b></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><b>Measure</b></p>	:	
<p><b>Timeframe</b></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.*

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

### Intended Outcome

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

### Practice 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises diversity in the boardroom as a critical element for efficient functioning of the Board and good governance practices. The Board also believes that diversity leads to the consideration of all facets of an issue and, consequently, better decisions and performance. Hence, the appointment of Board members and senior management not only takes into consideration the objective criteria and merit but also gives due regard for diversity in skills, experience, age, cultural background and gender.</p> <p>Profiles of the Directors and Senior Management are set out on pages 69 to 78 and pages 81 to 86 respectively of the Annual Report.</p> <p>The Company recognises that its Directors may be invited to become directors of other companies and the Directors are therefore at liberty to accept other Board appointments so long as such appointments are not in conflict with the business of the Group and do not adversely affect the Directors' performance as a member of the Board.</p> <p>The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities and this is demonstrated by the attendance record of the Directors at the meetings of the Board and Board Committees for the financial year ended 31 December 2022 as set out on page 92 of the Annual Report.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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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 5.6**

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NC is responsible for making recommendations on any nomination to the Board and to Committees of the Board. The NC considers candidates for directorship proposed by existing Board members, management or major shareholders, and when appropriate, utilises independent sources to identify suitably candidates.</p> <p>The NC may use a variety of approaches and sources to identify suitable candidates. This may include sourcing from a directors' registry and open advertisements or the use of the services of independent professional recruitment firms to source for the right candidate for directorship or seek independent professional advice at the Company's expense.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	Explanatory notes under the Notice of the Annual General Meeting ("AGM") on page 314 of this Annual Report 2022 provided the relevant information of the Directors standing for re-election and election including the Board's statement on its recommendation to support the re-election of Directors.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.8**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>For financial year ended 31 December 2022, the NC is chaired by Ms Kam Kin Foong, an Independent Non-Executive Director.</p> <p>Subsequent to the appointment of Datuk Hardev Kaur a/p Hazar Singh (“Datuk Hardev”) as an Independent Non-Executive Director and the Chair of the NC on 7 April 2023 in place of Ms Kam Kin Foong who had resigned from the Board and her position as the Chair of the NC on the same day, the NC is chaired by Datuk Hardev with effect from 7 April 2023.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.9**

The board comprises at least 30% women directors.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>For the financial year ended 31 December 2022, the Company has four (4) women directors representing 50% of the Board of eight (8) members.</p> <p>Following the appointments of Mr Chim Wai Khuan and Datuk Hardev, and the resignation of Ms Kam Kin Foong on 7 April 2023, the Company has four (4) women directors representing 44.44% of the Board of nine (9) members.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.10**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board has included gender balance as one of the main criteria for appointment of new directors to promote the representation of women in the composition of the Board.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 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>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The NC will assess annually, the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director. The evaluation was conducted using the following forms/checklists:  <ol style="list-style-type: none"><li>1. Board of Directors Competency Matrix, and Fit and Proper to determine the knowledge, skills, experience and other qualities of the current Board of Directors;</li><li>2. Self-Evaluation Form of Board and Board Committees Effectiveness/Performance to assess the performance of the Board of Directors and Board Committees;</li><li>3. Summary of the Outcome on Self-Evaluation of Board and Board Committees Effectiveness/Performance; and</li><li>4. Individual Director Assessment Checklist.</li></ol> The results of the evaluation show that the good mix of age, gender, character, qualifications, skills, knowledge, experience and core competencies of the current Board as well as the good integrity and time commitment demonstrated have enabled the Board and Board Committees to function effectively and efficiently. The individual directors have also discharged their duties effectively.
<b>Explanation for departure</b>	:  

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

<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

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

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The RC is responsible for setting the remuneration policy framework for directors and senior management. The RC ensures that the Directors and senior management are fairly remunerated or rewarded for the contributions or individual roles and level of responsibilities. The RC believes strongly that total remuneration should take into account the competition for talent in an industry where successful people are rewarded and mobile. The Group compensates employees through both fixed and variable compensation.</p> <p>Additionally, the RC is responsible for determining the overall remuneration policy framework applied to the Group, including the quantum of variable remuneration and the method of delivery.</p> <p>The Remuneration Policy is set out in the RC Report on pages 104 to 105 of the Annual Report.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**Intended Outcome**

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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The terms of reference ("TOR") of the RC are set out under Schedule 1, Item C of the Board Charter.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments for the financial year ended 31 December 2022 are set out on pages 105 to 106 of the Annual Report.

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' Ahmad Sebi Bakar	Non-Executive Non-Independent Director	150,000	0	0	0	22,700	90,000	262,700	150,000	0	240,000	20,000	22,700	139,400	572,100
2	Anton Syazi Dato' Ahmad Sebi	Executive Director	0	96,000	534,000	44,500	0	100,940	775,440	0	138,000	534,000	44,500	0	106,366	822,866
3	Lee Su Nie	Executive Director	0	96,000	630,000	52,500	52,200	123,420	954,120	0	96,000	630,000	52,500	52,200	123,420	954,120
4	Puan Sri Datin Masri Khaw Abdullah	Non-Executive Non-Independent Director	32,000	0	0	0	0	0	32,000	32,000	0	0	0	0	0	32,000
5	Yong Teck Ming	Independent Director	42,000	0	0	0	0	0	42,000	42,000	0	0	0	0	0	42,000
6	Rali Mohd Nor	Independent Director	48,000	0	0	0	0	0	48,000	48,000	0	0	0	0	0	48,000
7	Aryati Sasya Dato' Ahmad Sebi	Non-Executive Non-Independent Director	30,000	0	0	0	0	0	30,000	30,000	0	60,000	0	0	7,800	97,800
8	Kam Kin Foong	Independent Director	45,000	0	0	0	0	0	45,000	45,000	0	0	0	0	0	45,000
9	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
10	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
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.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	In view of the competitive nature of the human resource market, the remuneration of the top five (5) senior management which includes salary, bonus, benefits in-kind and other emoluments for the financial year ended 31 December 2022 was not disclosed on a named basis and the remuneration was disclosed in bands of RM50,000 on page 106 of the Annual Report.
		-
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	Choose an item.

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.

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

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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Chair of the AC is not the Chair of the Board. The Chair of the AC is an Independent Non-Executive Director of the Company.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	A former audit partner shall not be appointed as a member of the AC unless there is a cooling-off period of at least three (3) years before the appointment.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AC reserves oversight responsibility for monitoring the external auditor's independence, objectivity and compliance with ethical, professional and regulatory requirements.</p> <p>The AC reports to the Board on its review and/or recommendation, evaluation, assessment and monitoring on the suitability, objectivity and independence, nomination, appointment, replacement or re-appointment of the external auditors as well as matters pertaining to resignation or dismissal or change of the external auditors. Annually, the external auditor declares to the AC its independence throughout its audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</p> <p>The AC also reports to the Board on its reviews of the terms, areas of responsibility and scope of the audit as set out in the external auditor's engagement letter; the overall work plan for the forthcoming year, together with the associated fee proposal and cost effectiveness of the audit; the external auditor's independence; any major issues which arise during the course of the audit and their resolution; significant accounting and audit judgements; the recommendations made to management by the auditor and management's response; and the external auditor's overall performance.</p> <p>The duties and functions of the AC are set out in its TOR which are available on the Company's website at <a href="http://www.asb.com.my">www.asb.com.my</a> under Schedule 1 of the Board Charter by referring to the 'Corporate Governance' section.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	: Adopted
<b>Explanation on adoption of the practice</b>	<p>The AC comprises three (3) members during the financial year ended 31 December 2022 and all of whom are Independent Non-Executive Directors.</p> <p>Arising from the changes in the composition of the AC on 7 April 2023, the new composition of the AC comprises four (4) members of which three (3) members are Independent Non-Executive Directors and one (1) member is a Non-Independent Non-Executive Director which complied with Paragraph 15.09(1)(b) of Bursa Malaysia Listing Requirements (i.e. AC members must be non-executive directors, with a majority of independent directors) but departed from Step-Up Practice 9.4 of Code (i.e. AC should comprise solely of independent directors).</p> <p>The NC having considered the departure from the Step-Up Practice 9.4 of the Code supports the new composition of the AC as it was of the view that Mr Yong Teck Ming is independent of management and free of any relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of his independent judgement. During his tenure as the Chair of the AC, he had exercised his objective and independent judgement on all Board deliberations, devoted sufficient time and attention to his professional obligations for informed and balanced decision making and had also exercised due care in carrying out his professional duties in the best interest of the Company and shareholders.</p> <p>In addition, Mr Yong Teck Ming has been with the Company for more than fifteen (15) years and is familiar with the Group's business operations which will enable him to contribute actively and effectively during deliberation at meetings of the Board and the AC. His vast experience in accounting and diverse range of business will also enable him to provide the Board and the AC with constructive opinion.</p> <p>The Board is unanimous in supporting the above-stated view from the NC on the aforesaid departure from the Step-Up Practice 9.4 of the Code.</p> <p>Consequential to the above, the TOR of the AC on the composition of the Committee has been amended to "The AC shall be appointed by the Board from amongst the Directors of the Company and shall consist of</p>

	not less than three (3) members, all of whom shall be non-executive directors, with a majority of them being Independent Directors.”
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**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Each member of the AC brings an appropriate balance of senior level financial and commercial experience combined with a good understanding of the Company's business and is therefore considered by the Board to be competent. The AC Chair has vast experience in accounting and a diverse range of business which also enable him to provide the Board and the AC with constructive opinion.</p> <p>The profiles of the AC members are provided in the Annual Report 2022 on pages 74, 76, 77 to 78.</p> <p>The training programmes that the AC members have attended during the financial year ended 31 December 2022 are disclosed in the Annual Report 2022 under NC Report.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 10.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Group has in place an effective risk management and internal control framework to identify and assess the risks faced by the Group. This risk management framework includes risk assessment, response, communication and governance and key components to provide a comprehensive and proactive approach in managing risks. The internal control system focuses on key financial reporting, operational and compliance controls. The system encompasses the policies, processes and activities that contribute to the reliability of financial reporting, the effectiveness and efficiency of operations and compliance with laws and regulations.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**Intended Outcome**

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

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

**Practice 10.2**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges its overall responsibility for maintaining a sound risk management framework and internal control system to safeguard shareholders' investments and the Company's assets. The Board through the RMSC and AC will review the adequacy, integrity and effectiveness of the Group's risk management framework and internal control system periodically. The RMSC and AC reports can be found on pages 55 to 66 and 95 to 98 respectively of the Annual Report.</p> <p>Further information relating to the process for identifying, evaluating, monitoring and managing risks are set out under the Group Enterprise Risk Management Framework in Schedule 2 of the Board Charter.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 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.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The RMSC comprises three (3) Non-Executive Directors with a majority of independent directors.  The TOR of the RMSC are set out in under Schedule 1, item D of the Board Charter.

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The internal audit function operates independently and reports to the AC. Each year improvements are implemented to the internal audit reviews including its objectives, scope and procedures to enhance effectiveness.</p> <p>The internal audit adopts a risk-based approach in developing its audit plan based on the Group’s key risks profile. Internal audit plan and the scope of the internal audit are presented and approved by the AC on a yearly basis.</p> <p>The principal role of the internal audit function is to review the Group’s operations, evaluating their efficiency, effectiveness and compliance with corporate policies, procedures, laws and regulations.</p> <p>All internal audit reports are presented to the AC.</p> <p>Details of the internal audit function are disclosed under the Risk Management and Sustainability statement as well as AC reports on pages 65 and page 98 respectively of the Annual Report.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

## Practice 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group’s internal audit function is performed by the Internal Auditors (outsourced) who are independent of the activities audited by them. The Internal Auditors has confirmed that they are free from any relationship with any director and/or major shareholder of the Group or conflicts of interest with the Group. The Internal Audit team consists of 3 personnel as follows:</p> <ol style="list-style-type: none"> <li>1. Ms Lui Wat Yen [Qualification – The Association of Chartered Certified Accountants (“ACCA”)]</li> <li>2. Ms Lau Sin Yee [Qualification - ACCA and Certified Internal Auditor (“CIA”)]</li> <li>3. Mr Tho Yow Suen [Qualification – CIA]</li> </ol> <p>The performance of the internal audit work is guided by, in all material respect, the International Professional Practices Framework issued by the Institute of Internal Auditors.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>For corporate reporting to our shareholders and stakeholders, our Board ensures that information are complete and accurate and are disseminated in a timely manner. The Company has established a dedicated section for investor on its website at <a href="http://www.asb.com.my">www.asb.com.my</a>. This section provides information relating to corporate governance, annual reports, announcements to Bursa Malaysia Securities Berhad and Board Charter. Contact details are provided on the Company's website to address queries from its shareholders and stakeholders.</p> <p>The Board acknowledges the importance of establishing a direct line of communication with shareholders and investors through timely dissemination of information on the Group's performance and operations via distribution of annual reports and relevant circulars, and release of quarterly financial results, press releases and announcements.</p> <p>The AGM is the principal forum for dialogue with shareholders. There is an open 'question and answer' session in which shareholders may pose questions regarding the resolutions being proposed at the meeting and also on matters relating to the Group's businesses and affairs.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 12.2**

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

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

**Intended Outcome**

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

**Practice 13.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Notice of the forthcoming AGM to shareholders is dated 28 April 2023, which is more than 28 days' notice for holding the Company's forthcoming AGM on 27 June 2023.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board members are in attendance at general meetings to provide explanations to all shareholders' queries and shareholders are encouraged to participate in discussions and to give their views to the Directors. The Chair of the Audit, Nomination, Remuneration and Risk Management and Sustainability Committees are also in attendance to provide meaningful response to questions.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



**Intended Outcome**

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

**Practice 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	In the interest of health and safety following COVID-19 pandemic, our Ninety-Ninth Annual General Meeting (“99th AGM”) will be conducted by way of virtual meeting entirely through live streaming and online remote voting via the Remote Participation and Voting Facilities from Dvote Online operated by Dvote Services Sdn Bhd (“Dvote”). Dvote has been ensuring good cyber hygiene practices to prevent cyber threats at all times.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 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>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>The AGM is the principal forum for dialogue with shareholders. There is open ‘question and answer’ session in which shareholders may pose questions regarding the resolutions being proposed at the meeting and also on matters relating to the Group’s businesses and affairs. Members may also submit any questions on the business of the meeting. Provision will be made for questions to be received from shareholders from today until 72 hours before the meeting.</p> <p>The Board members are in attendance at general meetings to provide explanations to all shareholders’ queries and shareholders are encouraged to participate in discussions and to give their views to the Directors. The Chair of the Audit, Nomination, Remuneration and Risk Management and Sustainability Committees are also in attendance to provide meaningful response to questions.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

**Intended Outcome**

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

**Practice 13.5**

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>The Company has appointed Dvote as the Poll Administrator to conduct the poll by way of e-voting. Dvote has in place the required infrastructure and tools to support among others a smooth broadcast of the general meeting and interactive participation by shareholders.</p> <p>The shareholders will be allowed to submit question(s) before and during the 99<sup>th</sup> AGM as well as to attend, speak (in the form of real time submission of typed texts) and vote remotely using remote participation and voting facilities.</p> <p>Questions to be posed by shareholders at the forthcoming 99th AGM will be made visible during the ‘question and answer’ session.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

**Intended Outcome**

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

**Practice 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>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: Minutes of the 99th AGM will be circulated to shareholders by posting on the Company's website no later than 30 business days after the AGM.
<b>Explanation for departure</b>	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:
<b>Timeframe</b>	:

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

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

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