

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 5315  
**COMPANY NAME** : SkyWorld Development Berhad  
**FINANCIAL YEAR** : March 31, 2024

## 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 of Directors (“the Board”) is responsible for the stewardship of the Company’s business and affairs with a view to enhance long-term shareholders value while considering the interests of other stakeholders and maintaining high standards of transparency, accountability and integrity.</p> <p>The Board provides stewardship to the Group’s strategic direction and operations so as to deliver sustainable value to its stakeholders. The Board acknowledges the importance of sustainability and its underlying environmental, social and governance, hence, the Board has integrated sustainability considerations in the Company’s strategy, governance and decision making.</p> <p>During the financial year ended 31 March 2024 (“FY2024”), the Group’s business plan, budget and management proposals were presented to the Board during Board meetings. The Board reviewed, discussed and approved Management’s proposals and recommendations after thoughtful consideration of the market prospects in the property development industry.</p> <p>To ensure the effective discharge of its function and responsibilities, the Board has constituted 2 Board Committees, namely Audit &amp; Risk Management Committee (“ARMC”) and Nomination &amp; Remuneration Committee (“NRC”). The Board has delegated certain roles and responsibilities to the Board Committees which operate within their respective Terms of Reference, a copy of which is available at the Company’s website. The activities of the Board Committees are set out in the Annual Report for the FY2024 (“2024 Annual Report”).</p> <p>The Board Charter clearly defines the principal roles and responsibilities of the Board and Board Committees and is available on the Company’s website at <a href="https://www.skyworldgroup.com.my/investor-relations">https://www.skyworldgroup.com.my/investor-relations</a>.</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 1.2

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>Datuk Seri Ng Thien Phing helms the Board as Non-Independent Executive Chairman. As the Chairman of the Board, he is responsible for the performance and conduct of the Board. His duties among others include:-</p> <ul style="list-style-type: none"><li>(a) provides leadership for the Board so that the Board can perform its responsibilities effectively;</li><li>(b) leads the Board in the adoption and implementation of good corporate governance practices in the Company;</li><li>(c) sets the Board agenda and ensures that Board members receive complete and accurate information in a timely manner;</li><li>(d) leads Board meetings and discussions;</li><li>(e) encourages active participation and allows dissenting views to be freely expressed;</li><li>(f) manages the interface between the Board and Management; and</li><li>(g) ensures appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.</li></ul> <p>During the FY2024, the Board Chairman, in consultation with the Chief Executive Officer, Head of Finance and Company Secretaries, set the agenda for Board meetings and ensured that all relevant issues are on the agenda.</p> <p>The roles and responsibilities of the Chairman of the Board are clearly stated 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>	:		
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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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The positions of the Chairman and Chief Executive Officer are distinct, separated and their respective roles and responsibilities are clearly defined in the Board Charter to ensure proper balance of power and authority and no individual has unfettered powers of decision and control.</p> <p>The position of Chairman is held by Datuk Seri Ng Thien Phing whilst the position of Chief Executive Officer is held by Mr Lee Chee Seng.</p> <p>The Chairman provides leadership and direction at Board level in order to maintain a good corporate governance for the Board to perform its responsibilities effectively whereas the Chief Executive Officer is primarily responsible for the effective implementation of the Group's strategic plan and policies, and management of the Group's business and day-to-day operation.</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>	<p>The Chairman of the Board, Datuk Seri Ng Thien Phing, is not a member of any Board Committees and does not involve in any of the Board Committees meetings held during the FY2024.</p> <p>Mr Chan Seng Fatt, the Independent Non-Executive Director of the Company is the Chairman of the ARMC whilst Ms Phang Sze Fui, the Independent Non-Executive Director of the Company leads the NRC.</p> <p>Having the positions of the Board Chairman and the Chairman of the 2 Board Committees assumed by different individuals allow the Board to discharge their duties with unfettered objectivity.</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 1.5**

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 Company engaged Tricor Corporate Services Sdn Bhd, an external consultant in carrying out the responsibilities of the corporate secretarial matters. The Board is supported by 2 outsourced and qualified Company Secretaries. Both Company Secretaries are the members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA).</p> <p>The Company Secretaries perform a key advisory role to the Board and Board Committees meetings in relation to the Constitution of the Company, Board policies and procedures, and compliance with the Companies Act 2016, Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad and other pertinent regulations governing the Company.</p> <p>The Company Secretaries ensure all Board and Board Committee meetings are properly organised and convened, and the deliberations, proceedings and resolutions passed are recorded, properly maintained and secured.</p> <p>The roles and responsibilities of the Company Secretaries are provided in the Board Charter of the Company.</p> <p>The Company Secretaries constantly keep themselves abreast of the evolving capital market environment, regulatory changes and developments in corporate governance through attending relevant conferences and training programmes. They have also attended the relevant continuous professional development programmes during the FY2024.</p> <p>All Directors have ready and unrestricted access to the advice and services of the Company Secretaries and may also seek independent professional advice and information in the furtherance of their duties and responsibilities at the Company's expense, so as to ensure that the Directors are able to make independent and informed decisions. The appointment and removal of the Company Secretaries should be a matter for the Board as a whole.</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 1.6**

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 Board meets at least quarterly to review and approve the financial, operational and business performance of the Group.</p> <p>During the FY2024, the Board and ARMC had 5 meetings each whilst the NRC had 3 meetings. Prior to each meeting, the Board and Board Committee members are furnished with proper agenda (including minutes) with due notice issued and agenda papers containing the relevant information to be deliberated at the meeting. This is to accord sufficient time for the Directors and Board Committees members to review, consider and obtain further information or seek clarification on the matters to be deliberated at the meeting, if required.</p> <p>The Management will summarise the discussion points and present it during the meetings to facilitate discussion and deliberation by the Board and/or Board Committees.</p> <p>As part of the Company's green initiatives and to improve meeting efficiency, the Company has implemented a paperless board portal for all Board and Board Committees meetings which enables digital access to meeting materials instead of distributing hard copies. The core board papers are uploaded via board portal prior to each of the meetings.</p> <p>All pertinent issues discussed at the Board and Board Committees meetings in arriving at the decisions and conclusions are properly recorded by the Company Secretaries, including matters where Directors abstained from voting and/or deliberation on a particular matter and any dissenting decisions by any members of the Board or Board Committees. The minutes of meetings are circulated to all Directors for perusal prior to confirmation at the next meeting. In the intervals between Board meetings, Board's decisions or approvals for matters that are urgent or administrative in nature will be sought via circular resolutions which are supported with relevant information and explanations and the same applies to the Board Committees.</p>
<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**

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>	: The Board Charter sets out the roles and responsibilities of the Board, Chairman of the Board, Chief Executive Officer, Executive Directors and Independent Non-Executive Directors, and Company Secretaries. It also sets out the delegation of authority by the Board to the Board Committees, namely ARMC and NRC.  The Board Charter will be reviewed and updated to reflect the relevant practices and processes recommended in the Malaysian Code on Corporate Governance.  The Board Charter is available on the Company's website at <a href="https://www.skyworldgroup.com.my/investor-relations">https://www.skyworldgroup.com.my/investor-relations</a> .
<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 3.1**

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 Code of Conduct and Ethics ("the Code") which applies to all Directors and employees of the Group are in place. The Code was formulated to provide clear direction and conduct of business, general workplace behaviour and dealing with stakeholders.</p> <p>As part of the Company's commitment against all forms of bribery and corruption, the Board had adopted the Anti-Bribery and Corruption Policy to provide guidance to the Group, all its personnel and business associates in order to promote better governance culture and ethical behaviour within the Group and to prevent the occurrence of corrupt practices.</p> <p>On top of the above, the Board had also adopted a Conflict of Interest Policy to provide guidance in identifying and manage any actual, potential and perceived conflict of interest situations between the employees (including Directors) and the Group.</p> <p>The Code, Anti-Bribery and Corruption Policy as well as Conflict of Interest Policy are available on the Company's website at <a href="https://www.skyworldgroup.com.my/investor-relations">https://www.skyworldgroup.com.my/investor-relations</a>.</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**

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 Board had in place a Whistleblowing Policy which sets out the avenues where legitimate concerns can be objectively investigated and addressed.</p> <p>The Board has the overall responsibility for overseeing the implementation of the Whistleblowing Policy, and all whistleblowing reports are addressed to the ARMC, via email.</p> <p>During the FY2024, no whistleblowing report was received by the ARMC.</p> <p>The Whistleblowing Policy is available on the Company's website at <a href="https://www.skyworldgroup.com.my/investor-relations">https://www.skyworldgroup.com.my/investor-relations</a>.</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 4.1**

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 Company is committed to achieving sustainability goals to build economic, environment and social responsibilities, and effective corporate governance into all aspects of the Group's business and operations. The Board had established a sustainability governance structure framework and adopted a Sustainability Framework, Policy and Procedures to support long-term sustainable value creation and returns for the Company. The Board had during the FY2024 revised the Group's Sustainability Governance Structure and sets its ESG key performance indicators ("KPIs") and targets to demonstrate the Company's sustainability commitment.</p> <p>The Board is ultimately responsible for the overall governance of the Group's sustainability strategies and performance to ensure that sustainability is practised across all business operations whilst the Sustainability Management Committee provides leadership and direction on the implementation of the Group's sustainability strategies, risks and opportunities. The Sustainability Working Committee is tasked to support the Sustainability Management Committee by overseeing and monitoring the implementation of sustainability initiatives and sets relevant targets.</p> <p>The Sustainability Statement which includes material issues relating to ESG indicators is embedded in the 2024 Annual Report and is available on the Company's website at <a href="https://www.skyworldgroup.com.my/investor-relations">https://www.skyworldgroup.com.my/investor-relations</a>.</p>
<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 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>	:	<p>The Board recognises the importance of timely and accurate information being delivered to the stakeholders in a timely and accurate manner. As such, the Company has established several engagement methods with its internal and external stakeholders to enable the message of the Group's sustainability reaches the key communities of the Group. The Group has been practising an open line of communication with its stakeholders to garner insights, feedback and opinions from them. In communicating the sustainability matters, various types of stakeholders' engagement are adopted, depending on the target stakeholders such as corporate website, social media, events &amp; campaigns, press conference, events, collaborations, etc.</p> <p>The Group had undertaken a materiality assessment exercise to identify the Group's material sustainability topics which may potentially impact the stakeholders. The Group's on-going sustainability practices, initiatives as well as the activities undertaken are disclosed in the 2024 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 4.3**

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 continuously keep themselves abreast with and understanding the sustainability issues which are relevant to the Company and its business. The Management has been constantly updated the Board on the relevant sustainability issues relevant to the Group and its business. The Board also took note of the ESG Reporting Platform launched by Bursa Malaysia Securities Berhad on 4 December 2023 which acts as a repository for disclosures conforming to the prescribed format mandated under Bursa Malaysia's enhanced sustainability reporting requirements.</p> <p>In view of the increased interest from stakeholders and regulators on matters relating to sustainability, the Group will continue to engage its stakeholders and explore further improvement in conducting the business in a more sustainable manner. The Board is also mindful of the need to keep abreast of the external trends. During the FY2024, the Company has engaged with external consultants to provide training and knowledge development on sustainability matters to the Board.</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>	<p>Being a newly listed entity, the Company has yet to develop the criteria or KPIs in the performance evaluations of the <del>Board and</del> Key Senior Management in addressing the Company's material sustainability risk and opportunities.</p> <p>The Company will gradually integrating sustainability assessment into the <del>annual board evaluation exercise as well as</del> Key Senior Management's KPIs.</p> <p>Notwithstanding that, the NRC had carried out annual board evaluation on the effectiveness of the individual Directors, Board and Board Committees for the FY2024.</p>
<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>	:	The Chief Executive Officer is tasked to lead the implementation of sustainability strategies and approves targets and market disclosures of the Group and works with the Sustainability Management Committee and Sustainability Working Committee comprises representatives from relevant functions from the Group, to review existing strategies for continuous improvement, along with providing oversight for the Group's sustainability risk and opportunities.

## 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 NRC is responsible for the recommendation of the most suitable candidates to the Board and assessed the appropriateness of the Board composition to ensure that it is able to discharge its duties in an informed and conscientious manner.</p> <p>The NRC, in accordance with its Terms of Reference, is also tasked to review and assess the tenure, performance and contribution of retiring Directors including the fit and proper criteria as set out in the Directors' Fit and Proper Policy, before recommending to the Board for consideration.</p> <p>In considering the recommendation of Datuk Seri Ng Thien Phing and Datuk Lam Soo Keong @ Low Soo Keong for re-election as Directors, the NRC had in May 2024 reviewed and assessed their performance and contribution as well as fit and proper assessment. The NRC concluded that the retiring Directors possess relevant mix of experience, skills, industry knowledge and expertise that is beneficial to the Company and they met the fit and proper criteria as set out in the Directors' Fit and Proper Policy in discharging their roles and responsibilities. The NRC then recommended the re-election of the aforesaid Directors to the Board and subsequently to the shareholders for approval at the 2024 Annual General Meeting ("AGM") to be held on 27 September 2024.</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>	:	Applied
<b>Explanation on application of the practice</b>	:	The Board consists of 7 members, comprising 3 Executive Directors and 4 Independent Non-Executive Directors. The Independent Directors, make up 57.14% of the composition of the Board. Their presence provides checks and balances on the Board as they are able to provide unbiased and independent views in Board's deliberations and decision making, taking into account the interests of the Group, minority shareholders and 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**

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>	:	There are no Independent Directors serving beyond a cumulative term limit of 9 years.
<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 5.4 - 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 NRC is delegated with responsibilities of identifying, assessing, considering and recommending suitable candidates for the appointment of Board, Board Committees members and Key Senior Management. In accordance with the Terms of Reference of NRC, "Key Senior Management" refers to Chief Executive Officer, Chief Operating Officer and Chief Financial Officer.</p> <p>The NRC will take into consideration the candidates' skills, knowledge, expertise and experience, commitment (including time commitment) professionalism, boardroom diversity including gender, age and ethnicity, cultural background, character, integrity and competence before recommending their appointment to the board. For the position of Independent Directors, the NRC will also evaluate the candidates' ability to discharge such responsibilities or functions as are expected from Independent Directors.</p> <p>The Board upon the recommendation of the NRC, evaluates and decides on the appointment of the proposed candidate to the Board.</p> <p>The appointment of Key Senior Management is based on predetermined criteria that includes skill sets, integrity and leadership qualities, driven by their respective job descriptions.</p> <p>Based on the annual assessment for the FY2024, the Board concluded that the current Board composition consists of members that bring about diverse gender, skills, knowledge, expertise, experience, professionalism, integrity, competencies and independence. The Board was also satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities.</p> <p>As at the date of the report, none of the Directors of the Company hold more than five directorships in listed issuer and no politician was appointed to the Board.</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**

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>	: The NRC will be guided by the principles mentioned under Practice 5.5 while assessing and recommending suitable candidates for the appointment of Board member and Key Senior Management. The NRC will rely on sources from existing board members, Management, major shareholders or independent sources such as executive search firms etc. when the need arises.  There was no new appointment of Director during the FY2024.
<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>	: Shareholders were provided with the detailed information on Directors who are standing for re-election at the 2023 AGM i.e. details of interest, position in the Company and family relationships with any Director and/or major shareholder of the Company via the explanatory notes to the Notice of 2023 AGM of the Company. The profile of the Directors who are due for retirement are set out in the 2023 Annual Report of the Company.  In addition, the Board and the NRC had assessed the performance and contribution of the retiring Directors before tabling the same to the shareholders for approval. The Board's statement of support on the re-election of the Directors is also set out in the explanatory notes to the Notice of 2023 AGM 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**

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>	:	The NRC is chaired by Ms Phang Sze Fui who is an Independent Non-Executive Director.
<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>	: The Board has 3 women Directors, namely Ms Phang Sze Fui, Ms Ong Soo Chan and Puan Zalinah Binti A Hamid, representing 42.9% of the women representation on 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**

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> :	Departure
<b>Explanation on application of the practice</b> :	
<b>Explanation for departure</b> :	<p>The Board has yet to establish a gender diversity for the Board and Key Senior Management during the financial year under review.</p> <p>The Board will establish a policy on gender diversity for the Board and Key Senior Management as soon as practicable.</p> <p>As at the date of the report, women representation of the Group in the Board and Management position are 42.9% and 37.5% respectively.</p>
<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

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>	<p>The annual evaluation on effectiveness of the Board, Board Committees and each individual Director falls under the purview of the NRC.</p> <p>The performance assessments were conducted in-house via self-assessment questionnaires. Each Director was required to complete a set of questionnaires and the aggregate responses were tabled to and reviewed by the NRC. Thereafter, the NRC reported the same to the Board. No external facilitator has been used.</p> <p>The assessment includes Directors' self-assessment on its skill sets matrix and Board assessment on the overall effectiveness of the Board and Board Committees. The assessment also helped the individual Directors to understand and determine their upskilling or development needs.</p> <p>The Board, through the NRC's annual assessment for the FY2024, concluded that the Board and Board Committees have the right mix of backgrounds, skills and experiences and the Directors (individually and collectively) have discharged their respective roles and responsibilities in a conscientious manner.</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

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>	: Departure
<b>Explanation on application of the practice</b>	
<b>Explanation for departure</b>	<p>The Board has yet to establish a remuneration policy and procedures for the purpose of determining the remuneration of Directors and Key Senior Management.</p> <p>However, the Directors have abstained from deliberation and voting when dealing with their own remuneration package or Director's fee at the Board meeting.</p> <p>Management had during the FY2024 conducted a remuneration benchmarking exercise on the Directors' fees and allowances of the Independent Non-Executive Director to ensure they are fairly remunerated.</p> <p>The Board will formalise a remuneration policy and procedures as soon as practicable.</p>
<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 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>	:	<p>The NRC comprises solely of Independent Directors and is chaired by Ms Phang Sze Fui. The Terms of Reference of NRC sets out its authority and responsibilities in relation to remuneration of the Board and Key Senior Management.</p> <p>The Directors who are also shareholders of the Company had abstained from voting on the resolution pertaining to the approval of their own fees at the 2023 AGM held in September 2023.</p> <p>The Terms of Reference of the NRC is available on the Company's website at <a href="https://www.skyworldgroup.com.my/investor-relations">https://www.skyworldgroup.com.my/investor-relations</a>.</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**

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 details of the remuneration received/ receivable by each Director during the FY2024 are as follows:-

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	
1	Datuk Seri Ng Thien Phing	Executive Director	-	-	2,154	951	179	394	3,678	-	-	2,154	951	179	394	3,678
2	Datuk Lam Soo Keong @ Low Soo Keong	Executive Director	-	-	1,584	697	233	306	2,820	-	-	1,584	697	233	306	2,820
3	Lee Chee Seng	Executive Director	-	-	960	423	150	229	1,762	-	-	960	423	150	229	1,762
4	Chan Seng Fatt	Independent Director	96	-	-	-	-	12	108	96	-	-	-	-	12	108
5	Ong Soo Chan	Independent Director	60	-	-	-	-	8	68	60	-	-	-	-	8	68
6	Phang Sze Fui	Independent Director	60	-	-	-	-	11	71	60	-	-	-	-	11	71
7	Zalinah Binti A Hamid	Independent Director	60	-	-	-	-	9	69	60	-	-	-	-	9	69
8	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					
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					
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					
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					
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					
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					
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					
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					

### **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>	<p>The Board is not in favour of disclosing the remuneration components of the top 5 senior management on named basis. The Board is of the opinion that the disclosure of such information would not be to the Group's advantage in view of the stiff competitive for talents market in property development industry.</p> <p>As an alternative, the Group has benchmarked the remuneration of the senior management to the industry in which it operates in and ensures that their remuneration commensurate with the scope of work, responsibilities as well as their performance.</p>
<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.				
2	Input info here	Input info here	Choose an item.	Choose an item.				
3	Input info here	Input info here	Choose an item.	Choose an item.				
4	Input info here	Input info here	Choose an item.	Choose an item.				
5	Input info here	Input info here	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						
2	Input info here	Input info here						
3	Input info here	Input info here						
4	Input info here	Input info here						
5	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 Chairman of the ARMC, Mr Chan Seng Fatt, is not the Chairman of the Board. Having the positions of the Chairman of the Board and the Chairman of the ARMC assumed by different individuals allow the Board to objectively review the ARMC's findings and recommendations. The ARMC Chairman is also able to provide full commitment and devote adequate time to review all matters under the purview of the ARMC.
<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>	:	<p>The Board recognises the need to uphold the independence of the external auditors from the Board and Management. The Terms of Reference of ARMC has a requirement that a former key audit partner of the Company is required to observe a cooling-off period of at least 3 years before being appointed as a member of the ARMC.</p> <p>None of the present members of the ARMC are former key audit partners.</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 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>	: Departure
<b>Explanation on application of the practice</b>	
<b>Explanation for departure</b>	<p>The ARMC has yet to adopt a policy and procedures to assess the suitability, objectivity and independence of the external auditors.</p> <p>However, guided by the Terms of Reference of the ARMC, the ARMC had considered the External Auditors' independence, sufficiency of resources as well as audit scope and planning when reviewing their suitability and independence for re-appointment as External Auditors of the Company.</p> <p>Aside, the ARMC had reviewed the nature and extent of non-audit services rendered by the External Auditors during the FY2024 and concluded that the provision of non-audit services did not compromise their independence and objectivity.</p> <p>The ARMC had on 21 May 2024 undertaken an assessment on the suitability, effectiveness and independence of the external auditors for the FY2024. Based on the result of the assessment, the ARMC was satisfied with the competencies, audit quality and resource capacity of the external auditors.</p> <p>Based on the ARMC's recommendation and having regard to the outcome of the assessment of the external auditors, the Board agreed to recommend the re-appointment of Deloitte PLT as external auditors of the Company to the shareholders for approval at the forthcoming 2024 AGM of the Company.</p> <p>The ARMC will establish a formal policy and procedures to assess the performance, competency and independence of the External Auditors as soon as practicable.</p>
<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**

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>	:	The ARMC comprises 3 members, all of whom are Independent Non-Executive Directors.

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.5**

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The members of the ARMC, collectively, have a wide range of relevant skills, knowledge and industry experience. They are financially literate and possess accounting or related financial management expertise.</p> <p>The members of the ARMC continuously apply critical and probing view on the Company's financial reporting process, transactions and other financial information, and effectively challenge Management's assertions on the Company's financials during the ARMC meeting.</p> <p>During the FY2024, all ARMC members have undertaken continuous professional development by attending trainings, workshops, seminars or briefings relevant to their role as ARMC members, to enhance their knowledge in order to efficiently discharge their duties.</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 10.1

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Group had partially adopted an Enterprise Risk Management framework for the process of identifying, evaluating, monitoring and managing the significant risk affecting the achievement of the Group's business objectives. The Company had also established and implemented several measures and action plans to enhance the internal control system of the Group, such as Tax Corporate Governance Framework and Guidelines, Compliance Monitoring Framework and Personal Data Protection Act Policy.</p> <p>The key risk relating to the Group's strategic matters are also discussed at the ARMC and Board meetings. In addition, the responsibility for identifying and managing the risks within the Group lies with the respective risk owners. The risk register and risk profile are reviewed by the Risk Working Committee and ARMC on quarterly and half yearly basis, respectively.</p> <p>The Group's internal audit function, which reports directly to the ARMC, is outsourced to Baker Tilly Monteiro Heng Governance Sdn Bhd ("Baker Tilly"), an independent internal audit service provider. The Engagement Director has diverse experience in internal audit, risk management and corporate governance advisory. The internal audit reviews are conducted using a risk-based approach and are guided by the International Professional Practice Framework.</p> <p>Further details of the risk management and internal control framework can be found in the Statement on Risk Management and Internal Control of the 2024 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**

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 Group has adopted a framework to review and manage significant risks to the Group. The key features and elements of the Group's risk management and internal control as well as their adequacy and effectiveness are detailed in the Statement on Risk Management and Internal Control in the Company's 2024 Annual Report. The Statement also outlines the measures put in place to manage and mitigate risks.</p> <p>The Board is of the view that the Group's system of risk management and internal control is effective and adequate to safeguard shareholders' investments and the Group's assets.</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>	:	Not Adopted
<b>Explanation on adoption of the practice</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 11.1

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 ARMC is responsible for monitoring and reviewing the effectiveness of the internal audit function. The internal audit function of the Group is outsourced to Baker Tilly.</p> <p>The Internal Auditors report independently and directly to the ARMC. Its role is to provide independent assurance on the adequacy and the effectiveness of the risk management, internal control and governance process of the Group. The ARMC together with the Internal Auditors discussed and agreed on the scope and internal audit plan prior to the commencement of audit. All audit findings along with recommendations for improvement and Management's responses to the findings and recommendations are reported to the ARMC on quarterly basis.</p> <p>In addition, the ARMC meets with the Internal Auditors at least once annually without the presence of Management. The Internal Auditors have unfettered access to the ARMC, the Board and Management as well as the Group's documents, records, properties and personnel.</p> <p>The ARMC also reviews the adequacy of the scope, competency, experience and resources of the internal audit function annually and assess whether it has the necessary authority and resources to carry out its work.</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 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>	: The Group's internal audit function is outsourced to Bakey Tilly. The Engagement Director for the FY2024 is Mr Kuan Yew Choong who has diverse professional experience in internal audit, risk management and corporate governance advisory. He is a fellow member of the Association of Chartered Certified Accountants, member of the Malaysian Institute of Accountants and the Institute of Internal Auditors Malaysia.  The number of staff deployed for the internal audit reviews are 4 staff per visit including the Engagement Director. The staff involved in the internal audit review possess professional qualifications and/or university degree. The internal audit personnel on the engagement team are free from any relationships or conflict of interest, which could impair their objectivity and independence. The internal audit reviews were conducted using a risk-based approach and were guided by the International Professional Practice Framework.
<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>The Board acknowledges the importance of timely and effective dissemination of material information to the shareholders and stakeholders. Such information is disseminated via the Group's audited financial statements, annual report, quarterly financial results and through various disclosures via the Company's website as well as the official website of Bursa Malaysia Securities Berhad. The Company's website includes an Investor Relations section which is accessible to the public and provides up-to-date information on the business, corporate governance, sustainability initiatives and financial information of the Group. The Group also provides a channel to gather insights, feedback and opinions from stakeholders.</p> <p>The AGM serves as a principal forum for dialogue with shareholders and investors, where they may seek clarification on the Group's performance, major developments of the Company as well as on the resolutions being proposed.</p> <p>The Executive Directors and Management also meet with media, analyst, institutional shareholders and investors regularly. The Company also issued press statements on the corporate, financial and business affairs of the Company as and when necessary.</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 12.2**

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>	:	<p>The 2023 AGM of the Company was conducted physically on 29 September 2023 at SkyWorld Gallery @ Setapak, Lot 17899, Jalan Ayer Jerneh, Taman Ayer Panas, Setapak, 53200 Kuala Lumpur, Malaysia. The Notice of the 2023 AGM was issued and made available on the Company's website and a nationally circulated newspaper on 31 July 2023, which is more than 28 days before the AGM.</p> <p>Sufficient notice period was given to the shareholders for them to schedule their time to attend the Company's AGM. The notice for the AGM outlines the resolutions to be tabled during the meeting and was accompanied with explanatory notes and background information, where applicable, to shed clarity on the matters that will be decided at the AGM.</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 13.2**

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>	:	All Directors, including the Chairperson of the Board Committees namely ARMC and NRC, attended the 2023 AGM to engage with the shareholders. Senior Management, Company Secretaries and External Auditors of the Company were also in attendance.
<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>	Departure
<b>Explanation on application of the practice</b>	
<b>Explanation for departure</b>	<p>The Company hold its 2023 AGM physically at one of its sales galleries located in Klang Valley.</p> <p>The Board has opted for a physical platform for better engagement with shareholders since the Company was newly listed, as it allows better flow of two-way communication at the general meetings.</p> <p>The Board has taken necessary steps to provide maximum opportunity for shareholders to participate at the 2023 AGM by convening its meeting at a venue which is accessible by shareholders.</p> <p>As all resolutions put to the 2023 AGM were voted by poll in accordance with Paragraph 8.29A of the MMLR, shareholders who were unable to attend the meeting may appoint any person(s) or the Chairperson of the meeting as their proxies to attend, participate, speak and vote on their behalf at the meeting.</p> <p>Nonetheless, the Board will consider embrace the adoption of technology to facilitate voting in absentia and remote shareholders' participation in future general meetings to allow broader shareholders' participation.</p>
<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

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

### Practice 13.4

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

*Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.*

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: Shareholders were given the opportunity to ask questions and engage with the Board and/or Senior Management of the Company during the 2023 AGM.  During the 2023 AGM, the Head of Finance of the Company gave a brief presentation on key financial metrics of the Group. Whilst the CEO of the Company presented the Group's corporate strategies, projects update, and the initiatives undertaken by the Group to create long-term and sustainable value for the 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

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.*

<b>Application</b> :	Not applicable – only physical general meetings were conducted in the financial year	
<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 13.6

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> :	The minutes of the 2023 AGM of the Company held on 29 September 2023 was uploaded to the Company's website within 30 business days after the 2023 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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