

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 5054  
**COMPANY NAME** : TRC SYNERGY BERHAD  
**FINANCIAL YEAR** : December 31, 2023

## 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 has overall responsibility in the stewardship of the Group's direction and its performance inclusive of corporate governance, strategic aims, as well as planning and maintaining effective control over financial and operational matters. The Board is also primarily responsible for determining the Company's strategic objectives and policies and to monitor the progress towards achieving those objectives and policies. In this regard, the Board is guided by a Board Charter which outlines the roles and responsibilities of Directors and other functions as recommended by the Malaysian Code on Corporate Governance ("the Code").</p> <p>The Company has in place its Board Charter which is aimed at promoting a high standard of corporate governance and is designed to provide guidance and clarity for Directors and Management with regard to their roles and the role of the Board committees. The Board Charter shall be periodically reviewed in line with the needs of the Company and any new regulations and recommendations that may have an impact on the discharge of the Board responsibilities. The Charter is available at the Company's website for public viewing.</p> <p>To ensure the effectiveness in discharging its duties and responsibilities, the Board has delegated certain responsibilities to the Management and the committees appointed by the Board. The delegation of authority includes responsibility for developing business plans; budgets and company strategies; identifying and managing operational risks and formulating strategies for managing these risks; and managing the Company's financial and operational mechanisms.</p> <p>The Board also delegates the authority and responsibility for managing the day-to-day business activities of the Group to the Group Managing Director and the Executive Directors who are responsible for overseeing the business development and implementation of the</p>

	corporate strategies and business plans, policies, and controls.	
<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>During the financial year 2023 ("FY2023") the Board was headed and chaired by Tun Jeanne Binti Abdullah. She takes the primary responsibility of upholding and maintaining a high standard of corporate governance and she is committed to ensure the same is practiced throughout the Company and its subsidiaries (the Group").</p> <p>Maintaining a high standard of corporate governance has been accepted by the Chairman and the Board as a whole as the Group's key responsibilities in order to protect and enhance long-term shareholder value and the financial performance of the Group. The Board will continuously evaluate the Group's corporate governance practices and procedures, and where appropriate, will adopt and implement all the Principles as enshrined in the Code.</p> <p>Amongst the key roles of the Chairman are as follows:</p> <ol style="list-style-type: none"><li>i. The Chairman is responsible for the leadership, effectiveness, conduct, and governance of the Board.</li><li>ii. The Chairman, with the assistance of the Company Secretary, sets the board agenda for each Board Meeting. The dates of the Board Meetings as well as the date for Annual General Meeting ("AGM") are pre-determined at the beginning of the year and informed to the Directors.</li><li>iii. The Chairman impartially leads the Board Meetings and ensures all discussions go well and in a professional manner in which all agendas of the meeting are discussed and deliberated accordingly. She inculcates and promotes a Boardroom environment that allows for the expression of views, effective debates, and contributions from the Board Members to facilitate informed decision-making by the Board.</li><li>iv. The Chairman leads the Board by ensuring that the Company adheres to all the relevant laws and regulations as well as monitors its good corporate governance best practices.</li></ol>

<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 Board recognises the importance of having a clear division of power and responsibilities between the Chairman and the Managing Director/Executive Directors to ensure an appropriate balance of power and role, responsibility, and accountability at Board level.</p> <p>The roles of the Chairman, Group Managing Director, and Executive Directors are distinct and separate to engender accountability and facilitate a clear division of responsibilities to ensure there is a balance of power and authority in the Company. The Chairman is responsible for the leadership, effectiveness, conduct, and governance of the Board. The Executive Directors, supported by the Senior Management team, implements the Group's strategic plans, policies, and decisions adopted by the Board. They also oversees the operations and business development of the Group.</p> <p>During the FY2023, the Chairman of the Company was Tun Jeanne Binti Abdullah and the Executive Directors of the Company were Tan Sri Dato' Sri Sufri Bin Hj Mohd Zin (Managing Director), Dato' Abdul Aziz Bin Mohamad (Deputy Group Managing Director) and Dato' Richard Khoo Teng San (Executive Director).</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>During FY 2023, the Chairman of the Company was not a member of the Audit and Risk Management Committee ("ARMC") as well as the Nominating Committee and Remuneration Committee. The Chairman of the Board was also not present as an invitee in any of the above-said Board committees.</p> <p>The application of this practice signifies the Board's determination to avoid the possibility of self-review and loss of objectivity in the deliberations of the Board Committees. The nonparticipation of the Chairman in the Board's Committees also ensures that proper degrees of check and balance are present in the deliberations conducted and recommendations put forth by the Board Committees.</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 Board is supported by and has direct access to the advice and services of the Company Secretary who is responsible for ensuring the relevant meeting procedures, governance matters, applicable rules, and statutory regulations are adhered to. The Company Secretary will also advise the Board on any new statutory requirements and oversee adherence with Board policies and procedures. He will also brief and update the Board on the proposed contents and timing of material announcements to be made to regulators. He attends all Board and Board Committees meetings as well as Shareholders Meetings and ensures that meetings are properly convened and proper records of the proceedings are taken and maintained accordingly.</p> <p>The Group Secretarial Department is led by Abdul Aziz Mohamed, a Licensed Secretary under Section 235 of the Companies Act 2016. He graduated from the International Islamic University in 1996 with a Bachelor of Laws. He has been working in the secretarial department of several public listed companies under various positions since 1996.</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>To facilitate the Directors' time planning, the annual meeting calendar is prepared and circulated in advance of each new year. The calendar provides Directors with scheduled dates for meetings of the Board and Board Committees and the AGM as well as the closed periods for dealings in securities by Directors based on the targeted dates of announcements of the Group's quarterly results.</p> <p>As for the Board Meetings, the notice of meeting together with the meeting agenda are issued to the Board members at least two (2) weeks prior to scheduled Board Meetings. The complete agenda papers will be circulated at least three (3) working days prior to the meeting date to ensure sufficient time is given to the Directors to read the Board papers and to seek any clarification that they may need from Management or to consult the Company Secretary or independent advisers before the Board Meetings, if necessary. This enables the Directors to discuss the issues effectively at the Board Meetings.</p> <p>The deliberations and decisions at the Board and Board Committee meetings are well documented in the minutes, including matters where Directors abstained from voting or deliberating.</p> <p>The Company Secretary will communicate to the relevant Management of the Board's decisions/recommendations via the circulation of an extract of the draft minutes of meetings or via internal memorandums for the appropriate actions to be taken. The Company Secretary will also follow up with the Management on the status of actions taken with reference to the previous minutes of meetings for purposes of updating the Board. Action items would stay as matters arising in the minutes of meetings until they are resolved.</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 primary role of the Board is to provide overall strategic guidance on the corporate governance and management of the business affairs of the Group in order to safeguard the shareholders' interest and the assets of the Group.</p> <p>In this regard, the Board is guided by a Board Charter which outlines the roles and responsibilities of Directors and other functions as recommended by the Code.</p> <p>The Board Charter is aimed at promoting a high standard of corporate governance and is designed to provide guidance and clarity for Directors and Management with regard to their roles and the role of the Board committees. The Board Charter shall be periodically reviewed in line with the needs of the Company and any new regulations and recommendations that may have an impact on the discharge of the Board's responsibilities. The Charter is available at the Company's website for public viewing.</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 3.1

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 Board acknowledges and recognises the importance of establishing a sound corporate culture which stimulates ethical conduct that pervades throughout the Group. To facilitate the observation and application of the desired culture, the Board had formalised a Code of Conduct in May 2013.</p> <p>The Board will review its Code of Conduct where necessary to meet the needs of the Group and to address the changing conditions of its business environment. The details of the Code are available in the Company's website for public viewing.</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 Board is committed to the highest standard of integrity, openness, and accountability in the conduct of the Group's businesses and operations. It aspires to conduct the Group's affairs in an ethical, responsible, and transparent manner.</p> <p>Recognising the abovementioned values, the Company has in place its Whistleblowing Policy and Procedures for the Group. The policy was formulated as an avenue for all the Group's staff and stakeholders as well as members of the public to disclose any legitimate misgivings they may harbour regarding any improper conduct within the Group.</p> <p>The Whistleblowing Form is made available on the Company's website for public viewing.</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 has in place its Sustainability Policy which encompassing all aspects of ethical business practices, which includes environmental, social, and economic issues. The policy's main objective is to promote sustainable practices in the company across all levels, from the Board of the Company and the Group's Senior Management to all other levels of personnel. This is achieved by integrating principles of sustainability into the Group's strategies, policies, and procedures, creating a culture of sustainability within the Group.</p> <p>The Board established the Sustainability Committee whose main objective is to assist the Board in fulfilling its responsibilities and objectives in matters related to implementing sustainability business practices. The Committee is supported by Sustainability Working Committee which comprised of relevant departments within the Group, such as the Corporate Affairs, Quality, Safety, Health &amp; Environmental, and Human Resources Departments, along with representatives from the Internal Audit Department and Yayasan TRC. The Sustainability Working Committee, led by the Chief Executive Officer of Trans Resources Corporation Sdn Bhd is responsible for ensuring the effective implementation of the Group's Sustainability Policy, and reports to the Sustainability Committee.</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 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 is cognisant of the fact that the Group's internal and external stakeholders should receive an unfiltered and complete view of the Group's sustainability strategies, priorities, targets and overall performance.</p> <p>For FY2023, the Group has produced a Sustainability Statement that forms part of the Annual Report. Apart being circulated to all shareholders, it is also available for public viewing at the Company's corporate website. The report aims to provide stakeholders with a tangible appreciation of the economic, environmental and social determinants that are being embedded within the Group's operations.</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 established the Sustainability Committee which aimed to assist the Board in fulfilling its responsibilities and objectives in matters related to implementing sustainability business practices. The Sustainability Committee is supported by a working committee which comprised of relevant personnel of various departments within the Group.</p> <p>The Sustainability Committee will table to the Board of its activities which will ensure the Board to stay abreast with and understand the sustainability issues relevant to the Group and its business.</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>During the FY 2023 the evaluation process undertaken by the Company was to evaluate the effectiveness of the Board, its committees and the individual Directors in general without specifically assessing their performance in addressing the company's material sustainability risks and opportunities.</p> <p>The Board however pursuant to the recommendation from the Nominating and Remuneration Committee ("NRC") has revised the Performance Evaluation Form to include a review of the performance of the Board and senior management in addressing the company's material sustainability risks and opportunities. The revised Performance Evaluation Form will be used to evaluate the Board in the financial year 2024.</p> <p>As an alternative practice, the Group has established a Sustainability Committee in 2019 tasked with overseeing the company's sustainability efforts. This committee is assessed annually by all Directors vide an Assessment Form to ensure that it is effectively addressing the Group's material sustainability risks and opportunities. While the assessment form does not explicitly review the performance of the board and senior management in addressing sustainability risks and opportunities, the Group believes that the Sustainability Committee is playing a critical role in driving sustainability efforts across its organization and is helping to embed sustainability into the Group's overall business strategy.</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>	:	<p>The Company has identified the Chief Executive Officer of Trans Resources Corporation Sdn Bhd, the Group’s main subsidiary as 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.</p> <p>She is the chairman to the Sustainability Working Committee which was established to assist the Board’s Sustainability Committee. She is also a member to the Board’s Sustainability Committee.</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>Presently, all five (5) Independent Directors have served as Board Members for a period of less than nine (9) years. With the recommendation from the NRC, the Group adopted a Boardroom Policy which regulates among others the limitation of the tenure of its Independent Directors to a maximum of 7 years or two re-elections by its shareholders. The Boardroom Policy has also been revised where the Group has in place a proper criteria for the appointment and re-election of the Board.</p> <p>Apart from the Boardroom Policy that serves as a guidance, the NRC also assess the effectiveness of the Board and directors' performance annually via a formal procedure established in 2019 where all Directors would need to fill up the Assessment Form which covers 8 considerations and rate them accordingly.</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 5.2**

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 currently consists of eight (8) members comprising three (3) Executive Directors and five (5) Independent Non-Executive 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 5.3

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>	:	All five (5) Independent Directors have served as Board Members for a period of less than nine (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>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The Company has in place a Boardroom Policy which regulates among others the limitation of the tenure of its Independent Directors to a maximum of 7 years or two re-elections by its shareholders.

### 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 appointment of the Board and senior management of the Group are recommended by the NRC after going through a structured evaluation process which is guided by its term of reference as well as the Boardroom Policy adopted by the Company.</p> <p>In recommending any appointment, the NRC will evaluate the candidates based on objective criteria and merit with due regard for diversity in skills, experience, age, cultural background, and gender.</p> <p>Upon receiving the recommendation from the NRC, the Board as a whole will deliberate on the recommendation and will make the necessary decision thereon.</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 5.6

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>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	Based on the current business activities undertaken by the Group, the Board is of the view that the current procedures adopted by the NRC is sufficient and in the best interest of the Company. Furthermore, the NRC is also guided by the Boardroom Policy which covers on the proper criteria in selecting proposed candidates.	
	:	As an alternative practice, the Group is of the opinion that the NRC is capable to undertake its obligations to select eligible candidates before considering and recommending them for appointment to the Board. This is due to the fact that the NRC is made up entirely of independent directors who have significant expertise in their respective fields. The NRC is also guided by its Term of Reference and the Boardroom Policy.	
<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

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>	:	<p>The Notice of Annual General Meeting (“AGM”) which among others to re-elect and appoint directors will be accompanied with the Annual Report that include the profiles of the respective directors. The Annual Report will be dispatched to all shareholders and also published in the Company and Bursa Malaysia websites.</p> <p>The profiles of Directors will include their age, gender, tenure of service, directorships in other companies (if any), working experience as well as the 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.</p> <p>As for the Company’s 26th AGM held on 20<sup>th</sup> June 2023, no directors stand for election during the AGM. Hence, the Board did not provide a statement to support the appointment of the directors and the reasons in the Company’s Notice of 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**

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 Dato' Ir. Abdullah Bin Abd Rahman who is an Independent 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**

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>	:	Presently, the Company has two (2) female Directors out of eight (8) Directors. It also has 1 female alternate 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 5.10**

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>	:	<p>The Board acknowledges the importance of gender diversity and recognise the multifarious benefits it can bring. It is the aim of the Board to have an appropriate level of diversity in the boardroom as well as amongst Senior Management to reflect the diverse nature of the Group’s operations.</p> <p>The Company has in place a Boardroom Policy which contains among others the policies on gender diversity. Presently, the Company has two (2) female directors out of eight (8) directors. It also has one (1) female alternate director.</p> <p>The disclosure on the Company’s Boardroom Policy is disclosed in the Sustainability Statement 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

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 Company has in place a Formal procedure to assess the Board's performance annually. The Assessment Form was reviewed and revised from time to time by the Board with the recommendation from the NRC.</p> <p>All Directors would need to fill up the Assessment Form and rate them accordingly. The completed Form will be submitted to the Company Secretary, who will then table it to the NRC for further deliberation and evaluation. The NRC will evaluate the Assessments and scrutinise the outcomes before presenting them to the Board for information and further action.</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 7.1

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 Board has in place policies and procedures which are part of the terms of reference of its NRC to determine the remuneration packages of the Board of Directors and the Senior Management. Their remuneration packages will be reviewed and recommended by the NRC. The NRC will consider and ensure that the level of remuneration is reasonable and sufficient to attract, retain, and motivate Senior Management of the quality required to run the Group’s operations smoothly and successfully.</p> <p>The policy and procedures are periodically reviewed and made available on the Company’s website for public reviewing.</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>	:	<p>The NRC is comprised of three (3) Independent Directors. The NRC is also responsible, amongst others, to develop, review and recommend the remuneration package of the members of the Board of Directors of the Company and the Senior Management of the Group in order to attract and retain competent executives who can add value to the Company. The determination of remuneration packages of the Board Members and the Senior Management are a matter of the Board.</p> <p>The NRC is guided by its Terms of Reference that is available on Company's website for public viewing.</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 detailed disclosure for the remuneration of the individual Directors are disclosed in the table below :

No	Name	Directorate	Company							Group						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Tun Jeanne Binti Abdullah	Independent Director	60,000	62,500					122,500	60,000	62,500					122,500
2	Tan Sri Dato' Sri Sufri Bin Hj Mohd Zin	Executive Director			120,000			14,400	134,400		795,000	1,320,000	440,000		233,696	2,788,696
3	Dato' Abdul Aziz bin Mohamad	Executive Director			180,000			7,200	187,200			1,080,000	440,000		63,130	1,583,130
4	Dato' Richard Khoo Teng San	Executive Director			60,000			8,959	68,959			945,000	555,000		186,387	1,686,387
5	Tan Sri Dr. Ahmad Kamarulzaman Ahmad Badaruddin	Independent Director	60,000	40,000					100,000	60,000	40,000					100,000
6	Dato' Ir. Abdullah Bin Abd Rahman	Independent Director	60,000	22,300				35,900	118,200	60,000	22,300				35,900	118,200
7	Dato' Sr. Abdull Manaf Bin Hj Hashim	Independent Director	60,000	20,800				38,442	119,242	60,000	20,800				38,442	119,242
8	Fadzilah Binti Mohd Salleh	Independent Director	60,000	22,600					82,600	60,000	22,600					82,600

### 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 acknowledges that the level of remuneration of the Directors and Senior Management should reflect the level of responsibility and contribution towards the successful and efficient running of the Group's activities.</p> <p>The Board is, however, of the opinion that remuneration paid to all employees inclusive of Senior Managements should be kept confidential and should not be disclosed for any reason, other than as required for the appropriate financial reporting purposes. Salary and remunerations are determined considering a large array of factors which may not be immediately apparent to everyone. As such, in an attempt to minimise any feelings of confusion or doubt with regard to the application of fairness in the level of compensation paid to Directors and employees of the Group, the Board has decided not to disclose their remunerations as well as the remuneration of the Senior Management on a named basis.</p> <p>The Board is also of the opinion that detailed disclosure on a named basis will impede the Company's ability to effectively compete for talent and may create unnecessary conflict and disputes.</p> <p>As an alternative practice, the Group has decided to provide aggregated data that offers an overview of the top 5 senior management's remunerations instead of disclosing detailed information on a named basis. This approach provides a general understanding of the compensation practices of senior management without revealing individual salaries or benefits.</p> <p>The aggregate remuneration of the top 5 Senior Management received and receivable from the Company and its subsidiaries during the FY2023 analysed into bands of RM50,000 were as follows:</p>

	Range of Remuneration	Number of Senior Management
	Less than RM 400,000*	-
	RM400,001 – RM450,000	1
	RM450,001 – RM500,000*	-
	RM500,001 – RM550,000	1
	RM550,001 – RM750,000*	-
	RM750,001 – RM800,000	2
	RM800,001 – RM2,600,000*	-
	RM2,600,001 – RM2,650,000	1
* No Senior Management within this range of remuneration.		
<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>	:	During the FY 2023, the Board was chaired by Tun Jeanne Binti Abdullah whereas the ARMC was chaired by Tan Sri Dr Ahmad Kamarulzaman Bin Ahmad Badaruddin.	
<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>	:	The Company has in place a policy that requires a former key audit partner to observe a cooling off period of at least two years before being appointed as a member 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 9.3**

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 ARMC reviews the suitability and independence of the external auditors and recommends their re-appointment to the Board. In this regard, the ARMC is guided by the Company’s policies and procedures for the selection and appointment of external auditors.</p> <p>The policies and procedures for the selection and appointment of external auditors is available at the Company’s website for public viewing.</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 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	During the FY2023, the ARMC comprised solely of Independent Directors as follows:  Chairman: Tan Sri Dr Ahmad Kamarulzaman Ahmad Badaruddin (Independent Non-Executive Directors)  Members: i) Dato' Ir. Abdullah Bin Abd Rahman (Independent Non-Executive Director) ii) Fadzilah Binti Mohd Salleh (Independent Non-Executive Director)

## 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 Board believes that continuous training is essential to the all Board Members especially when it comes to the ARMC so as to ensure that they are updated with the appropriate skills and knowledge to enable them to discharge their duties effectively. All Board Members are encouraged to attend training programmes to supplement their knowledge in various fields as relevant to them.</p> <p>During the FY2023, the members to the ARMC attended the following trainings:</p> <table border="1"><thead><tr><th>Directors</th><th>Training Programme</th><th>Date</th><th>Organiser</th></tr></thead><tbody><tr><td>Tan Sri Dr Ahmad Kamarulzaman Ahmad Badaruddin</td><td>Corporate Liability on Section 17A of Malaysian Anti-Corruption Commission Act 2009</td><td>7<sup>th</sup> April 2023</td><td>Integrity and Governance Unit, Group Compliance Affin Bank Berhad</td></tr><tr><td></td><td>Affin Conference Series 2023 Malaysia 2023 : A New Investment Chapter</td><td>30<sup>th</sup> May 2023</td><td>Affin Group</td></tr><tr><td></td><td>Advocacy Session for Directors and CEOs of Main</td><td>22<sup>nd</sup> August 2023</td><td>Bursa Malaysia</td></tr></tbody></table>	Directors	Training Programme	Date	Organiser	Tan Sri Dr Ahmad Kamarulzaman Ahmad Badaruddin	Corporate Liability on Section 17A of Malaysian Anti-Corruption Commission Act 2009	7 <sup>th</sup> April 2023	Integrity and Governance Unit, Group Compliance Affin Bank Berhad		Affin Conference Series 2023 Malaysia 2023 : A New Investment Chapter	30 <sup>th</sup> May 2023	Affin Group		Advocacy Session for Directors and CEOs of Main	22 <sup>nd</sup> August 2023	Bursa Malaysia
Directors	Training Programme	Date	Organiser															
Tan Sri Dr Ahmad Kamarulzaman Ahmad Badaruddin	Corporate Liability on Section 17A of Malaysian Anti-Corruption Commission Act 2009	7 <sup>th</sup> April 2023	Integrity and Governance Unit, Group Compliance Affin Bank Berhad															
	Affin Conference Series 2023 Malaysia 2023 : A New Investment Chapter	30 <sup>th</sup> May 2023	Affin Group															
	Advocacy Session for Directors and CEOs of Main	22 <sup>nd</sup> August 2023	Bursa Malaysia															

		Market Listed Issuers		
		Strategic Board Offsite 2023	19-21 November 2023	Affin Group
		Strategic Team Alignment Programme (STEP23)	2-4 December 2023	TRC Synergy Berhad
		Net Zero, TCFD Analysis, Climate Change Scenario Analysis - Directors Training	5 <sup>th</sup> December 2023	AGV Sustainability
	Dato' Ir. Abdullah Bin Abd Rahman	Strategic Team Alignment Programme (STEP23)	2-4 December 2023	TRC Synergy Berhad
	Fadzilah Binti Mohd Salleh	ESG Reporting and Disclosure	04 April 2023	Association of Chartered Certified Accountants (ACCA)
		Audit Committee Conference 2023	14 Sept 2023	Malaysian Institute of Accountants (MIA)
		Strategic Team Alignment Programme (STEP23)	2-4 December 2023	TRC Synergy Berhad
<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

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 Board views risk management as an important process in the pursuit of the Group's corporate governance agenda. It is an ongoing process which involves different levels of management to identify, evaluate, monitor, manage, and mitigate the risks that may affect the achievement of its business and corporate objectives. Currently, risk management and internal control framework is under the purview of the ARMC.</p> <p>The Group has embedded control processes in identifying, evaluating, monitoring, and managing the significant risks affecting the achievement of its business objectives. This ongoing process is subject to regular reviews by the Board and the ARMC and in accordance with the latest statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.</p> <p>The Group adopts a decentralised approach to risk management by encouraging all employees to take ownership and responsibility for risks at their respective levels. The process of risk management and policy implementation is overseen by the risk working committee ("RWC") and reported to the Board through the ARMC. The risk management framework is also embodied in the Quality Policy in accordance with ISO 9001: 2015 which is practiced by a wholly-owned subsidiary of the Company which is the major revenue contributor to the Group.</p> <p>In order to equip business units with adequate knowledge and awareness of risk management control, the Group has assigned them to attend risk related seminars pertaining to construction industry. This will facilitate them in dealing with any emerging risks and address the consequential issues that may arise. In FY2023, RWC conducted four (4) brainstorming workshops to comprehensively review associated risk for departments and projects. These sessions were aimed at fostering a culture of risk-based thinking within the Group, which is crucial for effective risk management. Subsequently, outcomes of the workshop and brainstorming sessions were compiled and prepared quarterly for review by ARMC.</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 10.2

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>Risk management activities are guided by the Group Risk Management Framework. The risk universe covers a whole range of activities to determine the risk profile inherent from the nature of business which would compromise the business objectives if it is not properly addressed. Risk factors can be classified into two main categories as external and internal risk.</p> <p>The Management of each business unit as well as projects undertaken by the Group is required to identify and document all possible risks that can affect their achievements. It is the responsibility of the Operational Managers and Heads of Department to identify any risk that may have an impact on meeting the business objectives of each business unit and project.</p> <p>The risk identification process shall take into consideration specific risks in achieving business objectives and risks that have potential impact on the success and continuity of the business. The identified risks are evaluated as below:</p> <ul style="list-style-type: none"><li>• Probability or likelihood of occurrence</li><li>• Significance of the risk</li></ul> <p>Risk mitigation measures are formulated to manage the risks and among them are:</p> <ul style="list-style-type: none"><li>• Sustaining good client relationship</li><li>• Adequate insurance coverage</li><li>• Monitoring projects within budgeted cost and margin</li><li>• Stringent quality and safety standard</li><li>• Efficient procurement management system</li><li>• Close monitoring of work progress</li><li>• Comply with relevant government agencies on statutory requirement</li></ul> <p>Each business unit and project identified risk is tabulated in the risk assessment report and presented to the ARMC for deliberation. Risk monitoring is an ongoing process whereby annual assessments will be</p>

	done and then presented to 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**

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>	:	<p>In 2021, the Company established a Risk Management Committee by integrating the risk management function into the existing Audit Committee and rename it as the ARMC.</p> <p>The ARMC comprises of three (3) Non-Executive and all of them are Independent Directors. The ARMC is chaired by Tan Sri Dr Ahmad Kamarulzaman Ahmad Badaruddin who has vast experience in general management. He is assisted by Dato' Ir. Abdullah Bin Abd Rahman who has vast experience in construction and Fadzilah binti Mohd Salleh who is a Chartered Accountant of the Malaysian Institute of Accountants.</p>

## 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 importance of the internal audit function is recognised by the Board and the ARMC as it helps an organisation to accomplish its objective by bringing a systematic and disciplined approach to evaluate the effectiveness of governance, risk management, and control processes. Most importantly, its role is to provide independent assurance that the internal control system within the organisation is operating effectively. As required by the Listing Requirements, the Internal Auditors report directly to the ARMC and is independent of the activities its audits. They provide periodic reports to the ARMC on the outcome of the findings which would then be reviewed and evaluated by the ARMC.</p> <p>Internal audit works are carried out in accordance with the annual audit plan which had been approved by the ARMC as well as the Board. The internal audit process provides an assessment of the adequacy, efficiency, and effectiveness of the Group's existing internal control system and recommendations for improvements. The results of the audit reviews are reported periodically to the ARMC. In addition, the internal auditors also carried out follow-up visits to ensure that the recommendations for improving control systems are implemented. The presence of the internal audit function has provided the necessary level of assurance as to the effectiveness and credibility of the Group's system of internal control.</p> <p>Throughout the FY2023, the Internal Audit Department has undertaken several independent audit assignments pursuant the approved audit plan. The details of the internal audit activities are reported in the Company's Annual Report.</p> <p>The ARMC has reviewed the audit assignments by the Internal Audit Department and noted that none of the weaknesses or issues identified during the review for the FY2023 has resulted in non-compliance with any relevant policies or procedures, Listing Requirements, or any other recommended industry practices that require disclosure in the Company's Annual Report.</p> <p>The ARMC also regularly evaluates internal audit resources and their development plan. In FY2023, the Internal Audit Department comprised of four(4) staff. They will need to attend the relevant training programmes in order to equip themselves with the</p>

	appropriate skills and knowledge to enable them to discharge their responsibilities effectively.	
<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>	<p>Presently, the Company's Internal Audit Department comprised of the following four (4) permanent personnel:-:-</p> <ol style="list-style-type: none"><li>1) Lee Deck Heng Position: Internal Audit Manager Qualification: Professional - Chartered Institute of Management Accountant (CIMA)</li><li>2) Ng Pek Loon Position: Senior Internal Audit Executive Qualification: Degree in Accounting – Malaysia Institute of Accountants (MIA)</li><li>3) Hairul Nor Fatihah Binti Zakaria Position :Internal Audit Executive Qualification: Degree in Finance(UITM)</li><li>4) Masturah Binti Ahmad Position: Internal Audit Officer Qualification: Bachelor in Accounting (UMT)</li></ol> <p>None of the Internal Audit personnel has either family or business relationship with the Board Members, Major Shareholders, or Senior Management of the Group.</p> <p>The Internal Auditors present the Audit Plan annually to the Audit Committee to review the audit areas, scope, and timing of the internal audit activities for the particular year. The Audit Plan shall evaluate compliance and a risk-based audit in providing the ARMC with an independent and objective opinion on a sound system of internal controls.</p> <p>The ARMC will review the Annual Audit Plan and make recommendations to the Board for approval.</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>The Board is fully aware that the key element of good corporate governance is the effective communication and proper dissemination of all important issues and major developments concerning the Company to all shareholders and investors. Effective communication channels with the Company's shareholders, investors, and the public are maintained through the dissemination of press releases as well as timely announcements and disclosures made to Bursa Malaysia.</p> <p>During the FY2023, the Company organised a number of meetings and briefings with financial analysts to establish a better understanding of the Company's objectives and performance, and to convey any other information that may affect shareholder interest.</p> <p>The Company also has a cordial relationship with reporters who have been playing a very effective role in conveying the Group's information to the public, shareholders, and investors. Press releases are also occasionally issued to clarify certain matters related to the Company and its operating units.</p> <p>The Company's AGM remains the primary channel of communication with the Company's shareholders, in particular with private investors. At each AGM and Extraordinary General Meeting, shareholders are encouraged and given sufficient time and opportunity to participate in the proceedings, to raise questions, and to participate in discussions pertaining to the operation and financial aspects of the Group. They may seek clarifications on the Group's performance, major developments, as well as on the resolutions being proposed. All Board Members, Senior Management as well as the Company's external auditors are available to respond to the shareholders' relevant questions raised at the meetings.</p> <p>A key channel of communication used to provide the Company's shareholders and investors with information about its business, financials, and other key activities is the Annual Report. The Company's Annual Report, the content of which are prescribed by the Main Market Listing Requirements, will surely provide its shareholders and investors with the overview of the Company's performance and</p>

	<p>will be the basis of further communication and dialogue between the Company and its shareholders during the AGM.</p> <p>The Board recognises the importance of timely and proper dissemination of relevant corporate and other information to shareholders, regulators, and the investing public. The Board always ensures that the shareholders are well informed of the financial performance and major corporate activities of the Company. Such information are communicated to shareholders and investors through various disclosures and announcements to the relevant parties including in the quarterly financial results, annual reports, and where appropriate, circulars and press releases.</p> <p>The Company, via its website (<a href="http://www.trc.com.my">www.trc.com.my</a>), includes an Investor Relations (“IR”) section which provides all relevant information on the Company and it is accessible to the public. All announcements by the Company, share price information, annual reports, and the corporate and governance structure of the Company could easily be obtained from the IR section.</p> <p>The Company has been consistently leveraged on technology to broaden its channel of dissemination of information and to enhance the quality of engagement with the stakeholders. For that reason, the Company has recently upgraded and revamped its website for better and smooth access to the public and stakeholders. Besides website, the Company has also in place its Facebook page and Instagram account for wider communication channels.</p>	
<p><b>Explanation for departure</b></p>	<p>:</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>:</p>	
<p><b>Timeframe</b></p>	<p>:</p>	

**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 Company dispatched the notice of its 27<sup>th</sup> Annual General Meeting (“AGM”) to shareholders more than 28 days before the AGM, well in advance of the 21-day requirement under the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The additional time given to shareholders allows them to make the necessary arrangements to attend and participate in person or through corporate representatives, proxies, or attorneys. More importantly, it enables the shareholders to consider the resolutions and make an informed decision in exercising their voting rights at the General Meeting.</p> <p>The Notice of AGM together with the Annual Report are issued on 30<sup>th</sup> April 2024. The Company’s AGM will be held on 26<sup>th</sup> June 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

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>	:	<p>The Chairman will call a special Board Meeting to approve the Company's financial statements and all reports and statements for inclusion in the Annual Report. All Directors will deliberate and discuss the issues highlighted by the External Auditors pertaining to the Company's financial statements. They also will deliberate the draft Annual Report and all disclosures thereon before they are approved for publishing and circulated to shareholders.</p> <p>The meeting will provide an opportunity for the Board to understand the audited financial statements as well as the disclosures in the Annual Report so that they can provide meaningful responses to all questions raised by shareholders during AGM.</p> <p>At the 26<sup>th</sup> AGM, save as Tun Jeanne Binti Abdullah, all Directors were present in person to engage directly with shareholders and be accountable for their stewardship of the Company.</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 13.3**

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>	:	<p>The Board acknowledges that the AGM is the primary and effective channel of communication between the shareholders and the Company. It is an avenue for shareholders to voice out their opinions and concerns over issues relating to the business and affairs of the Company and to question the Board. It also provides the Board with an opportunity to explain and justify corporate decisions made during the financial year.</p> <p>The conduct of the Company’s AGM inclusive of the voting process are governed by the Company’s Articles of Association, the relevant provisions of the Companies Act 2016, and the Main Market Listing Requirements.</p> <p>The Company will conduct its 27<sup>th</sup> AGM virtually, allowing shareholders from different locations to participate conveniently. The Company believes that the utilization of technology in this manner is a great way to improve the accessibility 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

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>	:	<p>During the AGM, the Chairman would encourage the shareholders to participate in the meeting actively as they were able to use the Questions Pane to submit questions in real time during the meeting via the Webinar platform. All questions being posed by the shareholders can be seen by all meeting participants throughout the meeting. The shareholders were also given an opportunity to submit questions before the meeting to a dedicated email address in relation to the agenda of the AGM. The Board, the Senior Management as well as the Company's auditors would be available to answer all relevant questions from the shareholders during the AGM.</p> <p>Feedback gathered during the AGM were evaluated and considered for further action by the Board and Senior Management.</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's AGM hold on 20<sup>th</sup> June 2023 was conducted virtually. Prior to the meeting, the Company had issued the Notice of AGM together with administrative guidance which encompassed the guidance on the conduct of the virtual meeting.</p> <p>The conduct of the virtual AGM was supported by an independent and professional service provider Cygnus Technology Solutions Sdn Bhd which has been in IT services industry for 14 years. The conduct of the meeting as well as the voting exercise were done smoothly without any interruption.</p> <p>During the meeting, the shareholders were able to use the Questions Pane to submit questions in real time via the Webinar platform. All questions being posed by the shareholders could be seen by all meeting participants throughout the meeting. The shareholders were also given an opportunity to submit questions before the meeting to a dedicated email address in relation to the agenda of 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 13.6**

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 26 <sup>th</sup> AGM had been made available to shareholders no later than 30 business days on the Company's website .
<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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