

# **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 5289  
**COMPANY NAME** : Techbond Group Berhad  
**FINANCIAL YEAR** : June 30, 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 PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

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

## 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' ("Board") of Techbond Group Berhad ("the Company" or "the Group") have their roles and responsibilities set out in the Board Charter, which is available on the Company's website, <a href="http://www.techbond.com.my">www.techbond.com.my</a>.</p> <p>The Board takes an active role in the development of the Group's strategies, involves actively in the review and formulation of sustainability matters, and monitors the implementation of the Group's strategic goals. To ensure its functions and responsibilities are effectively discharged, the Board meets regularly to review corporate strategies, operations and performance within the Group. All Board members bring their independent judgment to bear on issues of strategy, performance, resources and standards of conduct. The Board understands that they shall act in the best interest of the Company not only with regards to business growth but also in the management of stakeholders' expectation.</p> <p>The Board has delegated some of its roles to the following Board Committees to ensure that their duties are discharged more effectively:</p> <ul style="list-style-type: none"><li>a) Audit &amp; Risk Management Committee ("ARMC");</li><li>b) Nomination Committee ("NC"); and</li><li>c) Remuneration Committee ("RC").</li></ul> <p>Each Board Committee is governed by its own terms of reference ("TOR") which are aligned with the recommendations of Malaysian Code on Corporate Governance ("MCCG"). The TOR of each Board Committee is available on the Company's website, <a href="http://www.techbond.com.my">www.techbond.com.my</a>.</p> <p>The Board is kept informed on the activities of the Board Committees via the circulation of minutes of Board Committees meetings. The Chairman of each Board Committee will report to the Board the findings of their meetings.</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>The Board is chaired by Dato' Hamzah Bin Mohd Salleh, an Independent Non-Executive Director. His roles and responsibilities are set out in the Board Charter, which is available on the Company's website, <a href="http://www.techbond.com.my">www.techbond.com.my</a>.</p> <p>The Chairman provides leadership to the Board and plays an active role in meetings providing active direction to the conduct of meeting, discussion on critical issues discussed by the Board and ensuring that all Directors are provided with opportunity to share their views and/or to seek further clarification.</p> <p>The other key responsibilities of the Chairman include:</p> <ul style="list-style-type: none"><li>• leading Board meetings and ensuring that no Board member, whether Executive or Non-Executive dominates the discussions;</li><li>• setting the Board agenda and ensuring that Board members receive complete and accurate information in a timely manner;</li><li>• managing the interface between Board and Management;</li><li>• ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole; and</li><li>• leading the Board in the adoption and implementation of good corporate governance practices in the Company.</li></ul>
<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 positions of Chairman and CEO are held by different individuals with clear and distinct roles which are set out in the Board Charter of the Company to ensure a balance of power and authority between the two (2) positions.</p> <p>The Board is chaired by Dato' Hamzah Bin Mohd Salleh who leads and manages the Board by focusing on strategy, governance, and compliance, whereas the Managing Director of the Group, Mr Lee Seng Thye, manages the daily conduct of the business and operations and implements the Board's strategic plan and policies of the Company.</p> <p>It is expressly set in the Board Charter that the roles of the Chairman and Managing Director shall be distinct and separate, and these positions must be held by different individuals.</p> <p>The respective duties and responsibilities of the Chairman and the Managing Director of the Group can be found in the Board Charter available on the Company's website at <a href="http://www.techbond.com.my">www.techbond.com.my</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 1.4

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>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>Dato' Hamzah Bin Mohd Salleh, the Independent Non-Executive Chairman of the Company is the Chairman of NC and Chairman of RC. He is also a member of ARMC.</p> <p>The Board took cognisance that Dato' Hamzah Bin Mohd Salleh assumes the position of Chairman of the Board and member of other Board Committees will give rise to the risk of self-review and may impair the objectivity of the chairman and the Board when deliberating on the observations and recommendations put forth by the Board Committees.</p> <p>However, Dato' Hamzah Bin Mohd Salleh does not involve in management and operational matters of the Group, and the other committee members of NC, RC and ARMC will provide check and balance to the objectivity of decisions made.</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

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 two (2) qualified and competent Company Secretaries, all of whom are professionally qualified members of Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and are qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016.</p> <p>The Company Secretaries have performed their roles in supporting the Board to ensure that all governance matters and Board procedures are followed, as well as applicable regulations and practices in the MCCG are complied with. They draft notices of meetings, take minutes of meetings, make appropriate submission to the Companies Commission of Malaysia ("CCM") and Bursa Malaysia Securities Berhad ("Bursa Securities"), and advise the Board on corporate disclosures and compliance with regulatory requirements and law. These include obligations of Directors relating to disclosure of interests and disclosure of any conflicts of interest in transactions with the Group.</p> <p>The Company Secretaries keep themselves abreast of the developments in listing and related statutory obligations and corporate governance practices by undertaking continuous professional development.</p> <p>The key roles of the Company Secretaries are set out in the Board Charter, which is available on the Company's website, <a href="http://www.techbond.com.my">www.techbond.com.my</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 1.6

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 Chairman, with the assistance of Company Secretary, ensures that all Directors are provided with a structured agenda together with relevant meetings materials at least five (5) business days prior to the meeting. During the year, the meeting materials were distributed electronically via email instead of printed copies. With that, the Board were able to access to meeting materials and relevant information in a timely and efficient manner. This was also part of the Company's sustainability commitment to continuously protecting the environment by reducing documents printing.</p> <p>The ARMC meetings were attended by all Independent Non-Executive Directors. To facilitate the respective Board Committees in assessing the risks, providing suggestions for improvement, and making recommendations, Management was invited to attend Board and Board Committees meetings to brief the members and provide explanations on issues relating to the meeting agenda.</p> <p>According to the Board Charter, the Board shall conduct at least four (4) meetings quarterly in each financial year, but the Company has scheduled at least five (5) Board meetings.</p> <p>The deliberations and decisions at the Board and Board Committees meetings are reflected in the minutes and it will be circulated to the Board and Board Committees respectively as soon as practicable after meeting for review and comment.</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 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 Company had, on 11 October 2022, adopted the revised Board Charter and TORs of ARMC, NC and RC to be in line with the MCCG and latest Main Market Listing Requirements ("MMLR"). The revised Board Charter and TORs of ARMC, NC and RC, are available on the Company's website, <a href="http://www.techbond.com.my">www.techbond.com.my</a>.</p> <p>The Company's Board Charter have set out clearly the roles and responsibilities of the Board, the individual Directors, Board Committees, Managing Directors, Independent Directors and both Executive and Non-Executive Directors. The issues and decisions reserved for the Board are also stated in the Board Charter under Annexure A.</p> <p>Apart from that, the Board Charter also set out the Board structure, proceedings of Board meetings, and stakeholders' communication policies. The Board will periodically review the Board Charter in order to keep it updated and fits the Company needs and, where applicable, also updated with any new regulations which may affect the Board's duties and responsibilities.</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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Corporate Code of Business Conduct and Work Ethics Policy (“the Policy”) was adopted on 9 October 2019. The Policy was formalised to set out a standard of behaviour to be complied by the Directors, Management, employees and, where applicable, counterparts and business partners in order to foster a culture of integrity and accountability.</p> <p>The Policy provides practices and procedures for managing conflicts of interest, preventing abuse of power, bribery and corruption, insider trading and money laundering. The Company is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates and in implementing and enforcing effective systems to counter bribery and corruption. As such, the Company had further adopted an Anti-Bribery Management System Policy to strengthen the areas of ethical risk and provide guidance on dealing with ethical issues.</p> <p>The Policy will be periodically reviewed and is available on the Company’s website, <a href="http://www.techbond.com.my">www.techbond.com.my</a>.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

### Intended Outcome

The 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 Company recognises the importance of a formal communication channel for affected stakeholders to report any illegal, unethical, or questionable practices. Hence, the Board had established a Fraud and Whistleblowing Policy (“the FW Policy”) on 21 February 2019 so that the legitimate concerns relating to possible improprieties in matters of financial reporting, compliance and other malpractices at the earliest opportunity, in an appropriate manner and without fear of retaliation could be reported through the avenues as set out in the FW Policy.</p> <p>The chair of the ARMC is appointed to oversight the whistleblowing function. The Board had, on 10 June 2022, adopted the Anti-Bribery Management System Policy as the Group’s principles for dealing with improper solicitation, bribes, other corrupt activities, and related issues which may arise in the course of business. The FW Policy and Anti-Bribery Management System Policy will be periodically reviewed and are published on the Company’s website, <a href="http://www.techbond.com.my">www.techbond.com.my</a> which also serves as a channel for reporting as it is accessible by all employees and the public.</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 Board and Management acknowledged the importance of sustainability risks and opportunities in the Company's business strategies to achieve continuing growth and profitability.</p> <p>The Board has set the sustainability strategies and priorities in planning and managing sustainability risks and opportunities, particularly focusing on the following material sustainability matters, which had been incorporated in the amendments to the MMLR by Bursa Securities on 26 September 2022. Detailed material sustainability matters can be found in the Company's Sustainability Report 2023:</p> <ul style="list-style-type: none"><li>• anti-corruption;</li><li>• community/society;</li><li>• diversity;</li><li>• energy management;</li><li>• health and safety;</li><li>• labour practices and standards;</li><li>• supply change management;</li><li>• data privacy and security;</li><li>• electricity consumption;</li><li>• water management;</li><li>• waste management; and</li><li>• emissions.</li></ul> <p>The material sustainability matters were assessed and categorised into Environmental, Social and Governance ("ESG") to ensure highest governance level and enable strategic oversight for long-term value creation.</p> <p>The Board, through Management, had also established the Corporate Core Values emerging from the word STICK which translates to Sustainability, Teamwork, Innovative Mindset, Customer focused &amp;</p>

	<p>Keep learning. These core values defined how management work as an entity and how they deliver their commitments to our stakeholders, both in Malaysia &amp; Vietnam. At the same time, Standard Operating Procedures had also been established to safeguard the Company especially employees' health and safety.</p> <p>Our sustainability governance structure, in particular the Sustainability Working Group ("SWG"), was established by the Board of Directors and summary of roles and responsibilities are as follows:</p> <table border="1" data-bbox="558 548 1410 1057"> <thead> <tr> <th data-bbox="558 548 874 584">Reporting Line</th> <th data-bbox="874 548 1410 584">Duties and Responsibilities</th> </tr> </thead> <tbody> <tr> <td data-bbox="558 584 874 730">1. BOARD OF DIRECTORS</td> <td data-bbox="874 584 1410 730">Responsible for providing oversight of sustainability and ESG matters in the Group's strategy development.</td> </tr> <tr> <td data-bbox="558 730 874 837">2. MANAGING DIRECTORS</td> <td data-bbox="874 730 1410 837">Strategically manages the Group's sustainability matters.</td> </tr> <tr> <td data-bbox="558 837 874 945">3. DEPUTY MANAGING DIRECTOR</td> <td data-bbox="874 837 1410 945">Lead the SWG and executes sustainability initiatives across the Group.</td> </tr> <tr> <td data-bbox="558 945 874 1057">4. HEADS OF DEPARTMENTS</td> <td data-bbox="874 945 1410 1057">Tasked with identifying, assessing &amp; mitigating current &amp; potential ESG risks</td> </tr> </tbody> </table> <p>The Board and Management will continuously monitor and assess its business operations and sustainability targets on the material sustainability matters of the Group to support cleaner and sustainable growth. One of the Group's aspirations is to reduce its carbon emission by 45% in 2030, benchmarked against 2020 Carbon Intensity Emission.</p>		Reporting Line	Duties and Responsibilities	1. BOARD OF DIRECTORS	Responsible for providing oversight of sustainability and ESG matters in the Group's strategy development.	2. MANAGING DIRECTORS	Strategically manages the Group's sustainability matters.	3. DEPUTY MANAGING DIRECTOR	Lead the SWG and executes sustainability initiatives across the Group.	4. HEADS OF DEPARTMENTS	Tasked with identifying, assessing & mitigating current & potential ESG risks
Reporting Line	Duties and Responsibilities											
1. BOARD OF DIRECTORS	Responsible for providing oversight of sustainability and ESG matters in the Group's strategy development.											
2. MANAGING DIRECTORS	Strategically manages the Group's sustainability matters.											
3. DEPUTY MANAGING DIRECTOR	Lead the SWG and executes sustainability initiatives across the Group.											
4. HEADS OF DEPARTMENTS	Tasked with identifying, assessing & mitigating current & potential ESG risks											
<b>Explanation for departure</b> :												
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>												
<b>Measure</b> :												
<b>Timeframe</b> :												

**Intended Outcome**

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

**Practice 4.2**

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board and Management communicated the Company's sustainability strategies, priorities, targets and performance to our internal and external stakeholders through the following channels:</p> <ul style="list-style-type: none"> <li>• Internal Management Meetings;</li> <li>• E-mail communication;</li> <li>• Company's Sustainability Report and Annual Report;</li> <li>• Annual general meeting;</li> <li>• Analyst briefing.</li> </ul> <p>For more details, please refer to the Company's Sustainability Report 2023.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied														
Explanation on application of the practice	:	<p>The Board together with Management take appropriate actions to ensure the Group is staying abreast with sustainability issues associated with the operating environment in Malaysia and Vietnam, based on the United Nation Sustainable Development Goals (“UNSDGs”) as follows:</p> <table><tr><th>UNSDGs</th><th>Group’s Target</th></tr><tr><td>3: GOOD HEALTH &amp; WELL-BEING</td><td>Achieve universal health coverage, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.</td></tr><tr><td>4: QUALITY EDUCATION</td><td>Skills for employment, decent jobs and entrepreneurship.</td></tr><tr><td>5: GENDER EQUALITY</td><td>Ensure women’s full &amp; effective participation &amp; equal opportunities for leadership at all levels of decision-making in political, economic &amp; public life.</td></tr><tr><td>6: CLEAN WATER &amp; SANITATION</td><td>Improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the proportion of untreated wastewater &amp; substantially increasing recycling &amp; safe use globally.</td></tr><tr><td>7: AFFORDABLE &amp; CLEAN ENERGY</td><td><ul style="list-style-type: none"><li>• Ensure universal access to affordable, reliable and modern energy services.</li><li>• Promote investment in energy infrastructure &amp; clean energy technology.</li></ul></td></tr><tr><td>8: DECENT WORK &amp; ECONOMIC GROWTH</td><td><ul style="list-style-type: none"><li>• Encourage the growth of micro-, small- and medium sized enterprises.</li><li>• Achieve full &amp; productive employment &amp; decent work for all women &amp; men &amp; equal pay for work of equal value.</li></ul></td></tr></table>	UNSDGs	Group’s Target	3: GOOD HEALTH & WELL-BEING	Achieve universal health coverage, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.	4: QUALITY EDUCATION	Skills for employment, decent jobs and entrepreneurship.	5: GENDER EQUALITY	Ensure women’s full & effective participation & equal opportunities for leadership at all levels of decision-making in political, economic & public life.	6: CLEAN WATER & SANITATION	Improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the proportion of untreated wastewater & substantially increasing recycling & safe use globally.	7: AFFORDABLE & CLEAN ENERGY	<ul style="list-style-type: none"><li>• Ensure universal access to affordable, reliable and modern energy services.</li><li>• Promote investment in energy infrastructure &amp; clean energy technology.</li></ul>	8: DECENT WORK & ECONOMIC GROWTH	<ul style="list-style-type: none"><li>• Encourage the growth of micro-, small- and medium sized enterprises.</li><li>• Achieve full &amp; productive employment &amp; decent work for all women &amp; men &amp; equal pay for work of equal value.</li></ul>
UNSDGs	Group’s Target															
3: GOOD HEALTH & WELL-BEING	Achieve universal health coverage, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.															
4: QUALITY EDUCATION	Skills for employment, decent jobs and entrepreneurship.															
5: GENDER EQUALITY	Ensure women’s full & effective participation & equal opportunities for leadership at all levels of decision-making in political, economic & public life.															
6: CLEAN WATER & SANITATION	Improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the proportion of untreated wastewater & substantially increasing recycling & safe use globally.															
7: AFFORDABLE & CLEAN ENERGY	<ul style="list-style-type: none"><li>• Ensure universal access to affordable, reliable and modern energy services.</li><li>• Promote investment in energy infrastructure &amp; clean energy technology.</li></ul>															
8: DECENT WORK & ECONOMIC GROWTH	<ul style="list-style-type: none"><li>• Encourage the growth of micro-, small- and medium sized enterprises.</li><li>• Achieve full &amp; productive employment &amp; decent work for all women &amp; men &amp; equal pay for work of equal value.</li></ul>															

		<ul style="list-style-type: none"> <li>• Take immediate &amp; effective measures to eradicate forced labour, end modern slavery &amp; human trafficking.</li> <li>• Protect labour rights &amp; promote safe &amp; secure working environments for all workers.</li> </ul>
	9: INDUSTRY INNOVATION & INFRASTRUCTURE	Enhance scientific research & encouraging innovation.
	10: REDUCED INEQUALITIES	Empower & promote social, economic & political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.
	12: RESPONSIBLE CONSUMPTION & PRODUCTION	<ul style="list-style-type: none"> <li>• Achieve the sustainable management &amp; efficient use of natural resources.</li> <li>• Achieve the environmentally sound management of chemicals.</li> </ul>
	13: CLIMATE ACTION	<ul style="list-style-type: none"> <li>• Strengthen resilience &amp; adaptive capacity to climate related hazards.</li> <li>• Integrate climate change measures into strategies &amp; planning.</li> <li>• Improve education, awareness-raising on climate change mitigation, adaptation, impact reduction &amp; early warning.</li> </ul>
	16: PEACE, JUSTICE & STRONG INSTITUTION	<ul style="list-style-type: none"> <li>• Significantly reduce all forms of violence.</li> <li>• Promote the rule of law &amp; ensure equal access to justice for all.</li> <li>• Substantially reduce corruption &amp; bribery in all their forms.</li> <li>• Develop effective, accountable &amp; transparent institutions at all levels.</li> <li>• Promote &amp; enforce non-discriminatory laws and policies for sustainable development.</li> </ul>
	<p>The Group's sustainability strategy has been instrumental in providing direction for the planning and implementing sustainability initiatives within the Group. The NC has assessed the composition of the skills matrix and was satisfied that the current board leadership is capable of oversight of sustainability issues and tackle sustainability risks and opportunities.</p> <p>The Board are provided with the opportunity for relevant training programmes on an ongoing basis in industry-related areas for them to keep abreast of the latest developments in the industry, to strengthen the Board's competencies in staying abreast including but not limited</p>	



	<p>to understanding the sustainability, corporate governance, risk management and strategic issues relevant to the Company and its business. To discharge its role effectively, the Board acknowledged the sustainability that are relevant to the Company and its business.</p> <p>During financial year under review, the Board attended trainings of various programmes including those related to business continuity, sustainability and ESG matters to keep themselves updated with the recent developments.</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>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board recognises the importance of the sustainability risks and opportunities in the Company's business operations.  The performance of the Board and senior management in addressing the Company's material sustainability risks and opportunities for the financial year ended 30 June 2023 ("FY2023") was reviewed and assessed via the Board Effectiveness Assessment.	
<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 4.5- 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 Group had established a SWG, lead by Mr Lee Seh Meng, the Deputy Managing Director and supported by the Heads of Departments including Finance, Operations, Business Development, Research &amp; Development and Human Resources.</p> <p>The SWG is responsible for executing, monitoring and implementing sustainability initiatives across the Group.</p>

### Intended Outcome

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

### Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board, through the NC, reviews the Board composition annually to determine if the Board has the optimum size, diversity, tenure, mixed of skills and experiences to drive the Company's business objectives and strategic goals.</p> <p>The Board, with the assistance of the Company Secretaries, has assessed the effectiveness of the Board for FY2023. The assessments were conducted using peer and self-assessments questionnaires to determine the effectiveness of the Board, Board Committees, and each individual Director.</p> <p>To be in line with the MMLR and facilitate NC to discharge their duties, the Board had, on 19 May 2022, adopted the Directors' Fit and Proper Policy for the appointment and re-election of Directors. The Policy is available on the Company's website, <a href="http://www.techbond.com.my">www.techbond.com.my</a>.</p> <p>The NC had assessed the fit and proper criteria as set out in the Fit &amp; Proper Policy. Based on the results of the annual Board Effectiveness Assessment and Directors' Fit and Proper Assessments, the Board concurred with the NC's recommendation on the re-election of Pn Selma Enolil Binti Mustapha Khalil and Mr Lee Seh Meng who are due to retire at the forthcoming Annual General Meeting ("AGM") in accordance with the Company's Constitution and the same was recommended to the shareholders for their approval at the forthcoming AGM.</p> <p>Both Directors had also submitted their Fit and Proper declaration forms and made declaration on their personal integrity and reputation, past convictions and bankruptcy, as well as their financial integrity and their contribution to the Board. Being eligible, they had offered themselves to be re-elected at the forthcoming AGM.</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

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>	:	<p>The Board recognises the importance of independence and objectivity in its decision-making process.</p> <p>As at 30 June 2023, the Board comprises six (6) Directors and (1) Alternate Director, of which three (3) are Independent Directors, equivalent to 50% of the composition of the Board.</p> <p>The Independent Directors provide check and balance on the Board as they are able to provide independent views in the Board deliberations, considering the interests of the Group and minority shareholders. The Board will continue to monitor and review the Board size and composition as may be needed.</p> <p>All three (3) Independent Directors satisfy the criteria of independence test as prescribed under the MMLR by Bursa Securities based on assessments conducted on an annual basis to ensure that they are independent and free from any dealings or relationships which could materially interfere with their independent judgement or the ability to act in the best interests 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

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

### Practice 5.3

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The NC had assessed the independence of the Independent Directors carried out annually during the annual Board Effectiveness Assessment. The NC agreed that the Independent Directors had met the criteria of the Independent Directors pursuant to the MMLR of Bursa Securities and MCCG.</p> <p>Currently, none of the existing Independent Directors of the Company has exceeded the tenure of a cumulative term of nine (9) years in the Company.</p> <p>The Company's Board Charter has indicated that Independent Director who have served the Board for more than nine (9) years may continue to serve on the Board as a Non-Independent Director subject to the shareholders' approval by way of two-tier voting in the annual general meeting.</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 5.4 - 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 NC is guided by its TOR, Board Charter on the appointment of suitable candidates to the Board, as well as the Director's Fit and Proper Policy. The NC will annually evaluate the effectiveness of the Board, its Committees, as well as the performance of the individual Director. They are also responsible for assessing the suitability of any proposed candidates as a Board member and making recommendation to the Board for consideration.</p> <p>Based on the results of the annual Board Effectiveness Assessment for the year under review, the Board was satisfied with the current optimum Board size and was of the view that the current composition has a strong, diverse committed and dynamic Board with the right mix of skills and experience, cultural background, gender and age to contribute to the achievement of the Company's goals.</p> <p>The NC had assessed the fit and proper criteria as set out in the Fit &amp; Proper Policy for the re-appointment of Directors who are due to retire at the forthcoming AGM. Based on the results of the annual Board Effectiveness Assessment and Director's Fit and Proper assessment, the Board agreed with the NC's recommendation on the re-election of Pn Selma Enolil Binti Mustapha Khalil and Mr Lee Seh Meng who are due to retire at the forthcoming AGM. The recommendation of their re-election was tabled to the shareholders for approval at the said AGM.</p> <p>The Board was of the view that the performance of Pn Selma Enolil Binti Mustapha Khalil and Mr Lee Seh Meng have been satisfactory and have met the Board's expectation in the discharge of their duties and responsibilities. They also devote adequate time in discharging their duties and responsibilities as Directors, work constructively with other Board members, attend meetings well prepared and will continue to bring value and insight to the Board.</p> <p>The TOR of the NC and Director's Fit and Proper Policy are available on the Company's website, <a href="http://www.techbond.com.my">www.techbond.com.my</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**

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

**Practice 5.6**

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has delegated the responsibility to establish a formal and transparent process to identify and nominate suitable candidates for the appointment of new member to the Board. The Board may source candidates from existing Board members, Management, major shareholders and through independent sources, as stipulated in the TOR of NC, which is available on the Company's website, <a href="http://www.techbond.com.my">www.techbond.com.my</a>.</p> <p>There was no new appointment to the Board during the year under review.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company had included a statement in the Notice of the Seventh AGM ("7th AGM"), to provide sufficient information on the re-election of Pn Selma Enolil Binti Mustapha Khalil and Mr Lee Seh Meng, who are due to retire at the 7th AGM in accordance with Clause 127 of the Company's Constitution.</p> <p>The profiles of Directors who are eligible for re-appointment at the 7th AGM can be found in the Annual Report of the Company, as well as in the Statement Accompanying the Notice of the 7th AGM, comprising the following information to ensure transparent dissemination of communication with shareholders:</p> <ol style="list-style-type: none"><li>1) the name, age, gender, nationality, qualification, and whether the position is an executive or non-executive one and whether such director is an independent director;</li><li>2) the working experience and occupation;</li><li>3) any other directorships in public companies and listed issuers, and other positions held;</li><li>4) the details of any interest in the securities of the listed issuer and its subsidiaries;</li><li>5) the family relationship with any director and/or major shareholder of the listed issuer;</li><li>6) any conflict of interests that they have with the listed issuer; and</li><li>7) other than traffic offences, the list of convictions for offences within the past five years and particulars of any public sanction or penalty imposed.</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**

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

**Practice 5.8**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NC of the Company comprises exclusively of Independent Non-Executive Directors as follows:</p> <p><b>Chairman</b> Dato' Hamzah Bin Mohd Salleh, Independent Non-Executive Chairman</p> <p><b>Members</b></p> <ul style="list-style-type: none"> <li>• Mr Ooi Guan Hoe, Independent Non-Executive Director; and</li> <li>• Pn Selma Enolil Binti Mustapha Khalil, Independent Non-Executive Director.</li> </ul> <p>The primary responsibilities of the NC are set out in the TOR of the NC, which is available on the Company's website, <a href="http://www.techbond.com.my">www.techbond.com.my</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**

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

**Practice 5.9**

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	As at 30 June 2023, the Board comprises of two (2) female Directors, namely Madam Tan Siew Geak (Executive Director) and Pn Selma Enolil Binti Mustapha Khalil (Independent Non-Executive Director), representing 33.33% of the total Board members.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

### Intended Outcome

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

### Practice 5.10

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 Gender Diversity Policy was adopted on 28 November 2019. Although the Board had decided that the quantum of men to women composition for the Company be left flexible, the NC will take into consideration the following measures:</p> <p>(a) Ensure that gender diversity objectives are adopted in Board and Senior Management's recruitment and succession planning processes.</p> <p>(b) Shortlist the potential women candidate based on the following criteria:</p> <ul style="list-style-type: none"><li>• skills, knowledge, expertise and experience;</li><li>• professionalism;</li><li>• integrity; and</li></ul> <p>in the case of the candidates for the position of Independent Non-Executive Directors, the NC would also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.</p> <p>(c) Adopt a more accommodating boardroom culture and environment that is free from harassments and discriminations, in order to attract and retain women participation on the Board and senior management.</p> <p>(d) To avoid mismatch and ineffective appointment of the female Directors, the Company does not set any specific target for female Directors in the Gender Diversity Policy and will actively work towards having more female Directors on the Board and senior management.</p> <p>During the FY2023, women representation of the Group in the Board is 33.33%.</p> <p>The Committee will review the Gender Diversity Policy for the Board annually inclusive of an assessment on the effectiveness of the Gender Diversity Policy. The Gender Diversity Policy is available on the Company's website, <a href="http://www.techbond.com.my">www.techbond.com.my</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 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 NC has been performing annual assessment on individual director, the Board as a whole and all Board Committees, through self-assessment and peer review assessment with the assistance of the Company Secretary on the annual basis to ensure the effectiveness of the Board. The NC establishes and implements the evaluation process and ensures proper documentation. The evaluation and assessment processes were clearly stated in the TOR of NC.</p> <p>During the FY2023, the NC, with the assistance of the Company Secretary, conducted the annual assessments by way of questionnaires and evaluation forms. In conducting the evaluation, the following criteria were taken into account:</p> <p>(a) Assessment of the effectiveness of the Board as a whole</p> <ul style="list-style-type: none"><li>• Board Structure/Membership</li><li>• Board Functionality</li><li>• Board Terms of Reference</li><li>• Board Meetings</li><li>• Contents of Board Meetings</li><li>• Management/Management Presentations</li><li>• Corporate Governance</li><li>• Other Matters</li></ul> <p>(b) Assessment on Individual Board Member via Self &amp; Peer Evaluation</p> <ul style="list-style-type: none"><li>• Contribution to Interaction</li><li>• Quality of Input</li><li>• Understanding of Role</li></ul> <p>(c) Assessment of the Effectiveness of Board Committees</p> <ul style="list-style-type: none"><li>• Review of Terms of Reference</li><li>• Efficiency of the Board Committees while carry out their duties</li><li>• Procedure of the Board Committees' meetings</li></ul>

	<p>(d) Assessment on Independence of Directors</p> <ul style="list-style-type: none"> <li>• Background</li> <li>• Family Relationships</li> <li>• Economics Relationships</li> <li>• Ability to act independently</li> </ul> <p>(e) Assessment on Board Skills</p> <ul style="list-style-type: none"> <li>• Experience</li> <li>• Knowledge, Skills and Expertise</li> </ul> <p>All Directors and Board Committees provided anonymous feedback on their peers' performance and individual performance contribution to the Board and respective Board Committees. The results were then collated and tabled to the NC for deliberation. The review supported the Board's decision along with the justification to endorse all retiring Directors standing for re-election.</p> <p>The NC was satisfied with the performance of its existing Board and Board Committees including its composition. The NC was of the view that with the current mix of skills, knowledge, experience and strength, the Board and the Board Committees as a whole are able to discharge their duties effectively. The NC concluded that all the Directors have attained satisfactory ratings and the NC was satisfied with the independence and performance of the Independent Directors of the Company. The assessment results were deliberated and circulated by the NC to the Board.</p>
<b>Explanation for departure</b>	<div></div> <div></div>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	<div></div>
<b>Timeframe</b>	<div></div> <div></div>

### 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 TOR of RC has included the duty of RC to develop remunerations policies and procedures for the Chairman, Managing Director, Executive Directors, Non-Executive Directors, Board Committees, Group Finance Director, and Key Senior Management ("KSM"). The Board has in place policies and procedures to determine appropriate levels of remuneration to attract and retain talent in the Board and KSM to drive the Company's objectives.</p> <p>The Company's Remuneration Policy ("the Policy") was adopted on 28 November 2019, taking into consideration various aspects including their achievements, contributions, and performance, in determining their remuneration package. For KSM, their remuneration is aligned with the short-term and long-term objectives and growth of the Company.</p> <p>The remuneration package will be reviewed annually by the RC, and the Policy will be reviewed by the RC on a periodic basis. The Policy is available on the Company's website, <a href="http://www.techbond.com.my">www.techbond.com.my</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 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 RC comprises exclusively of Independent Non-Executive Directors as follows:</p> <p><b>Chairman</b> Dato' Hamzah Bin Mohd Salleh, Independent Non-Executive Chairman</p> <p><b>Members</b> Mr Ooi Guan Hoe, Independent Non-Executive Director; and Pn Selma Enolil Binti Mustapha Khalil, Independent Non-Executive Director.</p> <p>The RC plays a key role in developing and administering formal, fair and transparent policies and procedure for determining the remuneration for Directors and KSM. The remuneration package is designed to be competitive, adequate and in line with current market practice to attract, retain, motivate, and reward the right talent for the Directors and KSM and is aligned with the Group's strategy, taking into account the short-term and long-term value creation strategic plans of the Group.</p> <p>The TOR of the RC is available on the Company's website, <a href="http://www.techbond.com.my">www.techbond.com.my</a>.</p> <p>During the financial year, the RC carried out the following:</p> <p>(a) Reviewed and recommended to the Board the proposed Directors Fees and Benefits payable in respect of the financial year ending 30 June 2024 ("FY2024");</p> <p>(b) Reviewed and recommended for the Board's approval of Remuneration Package of the KSM for the FY2024; and</p>

	(c) Reviewed and recommended the Remuneration Package of the Executive Directors with effect from 1 March 2023.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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>	:	<p>The detailed disclosure of the Directors' remuneration received during FY2023 on named basis are per table below.</p> <p>Mr Lee Yuen Shiuan, the alternate director to Ms Tan Siew Geak, did not receive any director's fee and benefit in respect of his position as alternate director for the FY2023.</p>



No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Lee Seng Thye	Executive Director	0	0	0	0	0	0	0	0	0	1,635	154	0	0	1,789
2	Tan Siew Geak	Executive Director	0	0	0	0	0	0	0	0	0	612	66	0	0	678
3	Lee Seh Meng	Executive Director	0	0	0	0	0	0	0	0	42	473	75	0	0	590
4	Dato' Hamzah Bin Mohd Salleh	Independent Director	84	6	0	0	0	0	90	84	6	0	0	0	0	90
5	Ooi Guan Hoe	Independent Director	72	6	0	0	0	0	78	72	6	0	0	0	0	78
6	Selma Enolil Binti Mustapha Khalil	Independent Director	72	6	0	0	0	0	78	72	6	0	0	0	0	78
7	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
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	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	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

### Intended Outcome

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

### Practice 8.2

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Company is of the view that the interest of the shareholders will not be prejudiced as a result of the non-disclosure of the Company's KSM Personnel who are not Directors of the Company.</p> <p>Additionally, disclosing the KSM Personnel's remuneration in detail would be considered as disadvantages to the Group, given the competition for talent in the market and sensitive nature of remuneration packages. It would perturb internal salary equity and may also attract unnecessary head-hunting activities from competitors, which will ultimately have an impact on the Group's operations. In view of the competitive nature of human resource market in the industries the Company operates, the Company should protect the confidentiality on employees' remuneration packages.</p> <p>The retention of KSM is critical to the successful implementation of the Company's strategy plan.</p> <p>Assessment will be done annually in determining the remuneration packages of the Group's Senior Management, factors that are taken into consideration include individual responsibilities, skills, expertise, and contributions to the Group's performance.</p> <p>The Board is committed to ensure that the remuneration package is complete and sufficient to ensure that the Group is able to attract and retain executive talents.</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.	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>	:	<p>The Chairman of the ARMC is Mr Ooi Guan Hoe while the Chairman of the Board is Dato' Hamzah Bin Mohd Salleh.</p> <p>With the positions of the Board Chairman and ARMC Chairman are holding by different individuals, it allows the Board to objectively review ARMC findings and its recommendations, and the ARMC Chairman is also able to provide full commitment and devote adequate time to review all matters under the responsibilities of the ARMC.</p> <p>The TOR of the ARMC is available on the Company's website, <a href="http://www.techbond.com.my">www.techbond.com.my</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**

There is an effective and independent Audit Committee.

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

**Practice 9.2**

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company recognises the importance of independence of its external auditors (“EA”) and that no possible conflict of interest whatsoever should arise.</p> <p>The criteria for a former key audit partner of the EA firm shall observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC was clearly stated in the TOR of the ARMC, which is in line with the MCCG practice.</p> <p>Currently, none of the member of the ARMC was a key audit partner in the last three (3) years before being appointed as a member of the ARMC.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		



### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.3

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 TOR of the ARMC has included the responsibility of the Committee to evaluate and assess the EA on their suitability, independence and objectivity as external auditors, and the assessment is to be performed annually.</p> <p>The TOR is available on the Company's website, <a href="http://www.techbond.com.my">www.techbond.com.my</a>.</p> <p>During the financial year, the ARMC, with the assistance of Management, conducted an annual assessment on the EA by taking into consideration the following factors:</p> <ul style="list-style-type: none"><li>• Calibre of external audit firm;</li><li>• Quality processes/performance;</li><li>• Audit team;</li><li>• Any current litigation cases;</li><li>• Independence and objectivity;</li><li>• Audit scope and planning;</li><li>• Audit fees; and</li><li>• Audit communications.</li></ul> <p>The ARMC was satisfied with its review that the provision of non-audit services by the EA to the Group for the financial year did not impair the objectivity and independence of the EA. The ARMC was also satisfied with the performance of the EA.</p> <p>The EA had provided their written confirmation on their independence throughout the audit engagement.</p> <p>Based on the above, the ARMC had recommended and the Board, upon the recommendation, had tabled the re-appointment of the EA for shareholders' approval at the forthcoming 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**

There is an effective and independent Audit Committee.

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

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>The ARMC of the Company comprises exclusively of Independent Non-Executive Directors as follows:</p> <p><b>Chairman</b> Mr Ooi Guan Hoe, Independent Non-Executive Director</p> <p><b>Members</b> Dato' Hamzah Bin Mohd Salleh, Independent Non-Executive Chairman; and Pn Selma Enolil Binti Mustapha Khalil, Independent Non-Executive Director.</p> <p>The primary responsibilities of the ARMC are set out in the TOR of the ARMC, which is available on the Company's website, <a href="http://www.techbond.com.my">www.techbond.com.my</a>.</p>

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The ARMC comprises members with diverse backgrounds and expertise. The members of ARMC possess relevant qualifications, skills, experience and expertise in terms of finance, law, audit, business administration and others. Hence, they are able to provide sound advice to the Board in terms of governance, regulatory compliance, financial reporting, internal and external audit reports and other matters to be deliberated by the ARMC and are able to discharge their duties and responsibilities in accordance with the ARMC's TOR.</p> <p>The ARMC is chaired by Mr Ooi Guan Hoe, the Independent Non-Executive Director, who is a member of the Malaysian Institute of Accountants, together with two (2) Independent Non-Executive Directors, Dato' Hamzah Bin Mohd Salleh and Pn Selma Enolil Binti Mustapa Khalil.</p> <p>In accordance with the ARMC's TOR, members are required to undertake continuous professional development courses to keep themselves abreast of new developments in accounting and auditing standards, practices and rules.</p> <p>During the FY2023, the members had participated and attended different training, seminar, conference, and any other relevant programme which could help them to discharge their duties professionally. Details of the training programmes attended by each member of the ARMC were set out on pages 26 and 27 of the Company's Annual Report 2023.</p> <p>Based on the outcome of the Board Effectiveness Assessment carried out in FY2023, the Board was satisfied with the performance of the ARMC during the FY2023.</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 Board recognises its responsibilities in maintaining a sound internal control system and risk management framework to ensure the Company is operating smoothly and the potential risks are all well mitigated or avoided. The Company has engaged an independent professional firm, Tricor Axcelasia Sdn Bhd, to undertake systematic review of internal control systems in accordance with the approved risk based on internal audit plan and has an independent risk management consultant, Cirrus Consulting Sdn Bhd, to establish an effective risk management framework.</p> <p>The Board is accountable to the shareholders of the Company for the development and implementation of a risk management framework specific to the organisation's business and the organisational context. The Board has established and implemented an effective risk management and internal control framework that reflects the principles and the processes as outlined in the Enterprise Risk Management ("ERM"), published in 2004 by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") and ISO 31000 Principles and generic Guidelines on Risk Management.</p> <p>The risk management and internal control framework was established on 9 October 2019. The review and testing on the internal control and risk management framework is carried out annually. The Company has established a Risk Management Policy to proactively identify, analyse, evaluate, treat, monitor, review, report and manage key risks to an optimal level. In line with the Company's commitment to deliver sustainable value, this policy aims to provide an integrated and organised group-wide approach.</p> <p>The Board has delegated the responsibility for reviewing the adequacy and operating effectiveness of the internal control system to ARMC. It is part of the duties and responsibilities of the ARMC to monitor, review, oversee and assess the risk management strategy and process, and internal control environment within the Group to ensure a sound risk management framework and internal control system are established.</p> <p>ARMC assesses the adequacy and operating effectiveness of the system of internal control through independent reviews conducted by the</p>

	<p>Internal Auditors. ARMC reviews and reports to the Board on the adequacy of the scope of work, competency, experience, and resources of internal audit function.</p> <p>There are various written policies and procedures in place to ensure adequacy of controls, and compliance with relevant law and regulations. These policies and procedures are periodically reviewed and updated, if any, to reflect change in business structure and 36 processes. The Company is certified with ISO 9001:2015 Quality Management System and ISO 14001:2015 Environmental Management System by an international certification service firm.</p> <p>Further details on the internal control and risk management framework adopted by the Company are available in the Statement on Risk Management and Internal Control, set out in the Company's Annual Report 2023.</p>	
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 10.2

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 detailed key features of the risk management and internal control system together with its adequacy and effectiveness are set out in the Statement on Risk Management and Internal Control, which is available in the Company's Annual Report 2023.</p> <p>The key elements that have been established in the Group's risk management and internal control systems are as follows:</p> <p>(a) Risk Management System</p> <ul style="list-style-type: none"><li>• The Board, with the assistance of ARMC, oversees the Group's risk management matters, including identifying, assessing, and monitoring key business risks.</li><li>• Senior management supports the Group's risk management philosophy, promote compliance, and manages risks within their spheres of responsibilities.</li></ul> <p>(b) Internal Control</p> <p>The key elements of internal control established within the Group comprise the followings:</p> <ul style="list-style-type: none"><li>• Control Environment;</li><li>• Risk Assessment;</li><li>• Control Activities;</li><li>• Information and communication; and</li><li>• Monitoring activities.</li></ul> <p>Any material non-compliance or errors in internal controls and their corresponding mitigating actions will be reported to the ARMC. Based on the audit findings and recommendations presented by the Internal Auditors, the ARMC will review the adequacy and effectiveness of the risk management and internal control framework for implementation, to strengthen the Company's risk management and internal control.</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 Group's internal audit function, reporting directly to the ARMC, is outsourced to an independent professional firm, Tricor Axcelasia Sdn Bhd ("Internal Auditors" or "IA") in order to provide independent assessment on the adequacy and effectiveness of the Group's internal control systems. They report to the ARMC semi-annually and table internal audit report for review.</p> <p>Under the TOR of ARMC, the Committee shall ensure that the internal audit function is effective and able to function independently and shall periodically review the appraisal and assessment of the internal audit function and the performance of internal auditors. The ARMC had reviewed the internal audit function and was satisfied with its function.</p> <p>The IA will propose an internal audit plan for the following financial year for ARMC's review and approval before commencement of work. The scope of the internal audit covers the key operations, including subsidiaries located in Malaysia and Vietnam.</p> <p>Recommendations made by the Internal Auditors were deliberated at length and subsequently accepted by the ARMC and Management for implementation. The IA will present a follow up report to the ARMC on the last audit visit to ensure that recommended action plans are implemented and bring effectiveness to the Group.</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>	:	<p>The Group's internal audit function, reporting directly to the ARMC, is outsourced to Tricor Axcelasia Sdn Bhd, Internal Auditors ("IA"). The main role of the internal audit function is to undertake regular reviews of the Group's systems of controls, procedures, and operations so as to provide independent and objective assurance to the ARMC regarding the adequacy and effectiveness of internal control, risk management and governance systems.</p> <p>The IA team was led by the Executive Director, Ms Melissa Koay, who has diverse professional experience in internal audit, risk management and corporate governance advisory. She is a Chartered Member of the Institute of Internal Auditors Malaysia, a member of the Malaysian Institute of Accountants and a Fellow Member of the Association of Chartered Certified Accountants, United Kingdom. Ms Melissa Koay is also a Certified Internal Auditor.</p> <p>In addition, the staff involved in the internal audit engagements possess professional qualifications and/or a university degree. Certain staff are members of the Institute of Internal Auditors Malaysia.</p> <p>The internal audit staff on the engagement are free from any relationships or conflict of interest, which could impair their objectivity and independence, and the internal audit engagements are conducted using a risk-based approach and are guided by the International Professional Practice Framework.</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 recognises the importance of effective, transparent and regular communication with the shareholders and stakeholders of the Company. Therefore, the Company publishes the followings on their company website, <a href="http://www.techbond.com.my">www.techbond.com.my</a>, with the intention of building a communication channel between the Company and its stakeholders:</p> <p>(a) Announcements submitted to Bursa Securities, including quarterly financial results, corporate exercise, progress of the corporate development, and any material information that may affect investors' decision-making;</p> <p>(b) Investor Relations section which provides relevant corporate information; and</p> <p>(c) General telephone number, fax number and email address.</p> <p>The AGM and Extraordinary General Meeting ("EGM") of the Company held on 22 December 2022 and 22 February 2023 respectively served as the primary platform for direct two-way interaction between shareholders, Board of Directors, and Management team of the Company. Opportunity was given for shareholders to seek and clarify issues, and allow shareholders to obtain better understanding of the Group and its businesses.</p> <p>The forthcoming Seventh AGM of the Company was scheduled to be held on Wednesday, 29 November 2023. Other than the AGM, the Company also communicates with its stakeholders through other means as follows:</p> <table><tr><th>OTHER STAKEHOLDERS</th><th>ENGAGEMENT CHANNELS</th><th>MATTERS DISCUSSED</th></tr><tr><td>Investors and Media</td><td><ul style="list-style-type: none"><li>• Annual report</li><li>• Quarterly report</li><li>• Investor's briefing</li><li>• Press conference</li><li>• Interviews and visits</li><li>• Media interviews</li><li>• Media release</li></ul></td><td><ul style="list-style-type: none"><li>• Group financial performance</li><li>• Corporate governance</li><li>• Regulatory compliance</li><li>• Business prospects</li></ul></td></tr></table>	OTHER STAKEHOLDERS	ENGAGEMENT CHANNELS	MATTERS DISCUSSED	Investors and Media	<ul style="list-style-type: none"><li>• Annual report</li><li>• Quarterly report</li><li>• Investor's briefing</li><li>• Press conference</li><li>• Interviews and visits</li><li>• Media interviews</li><li>• Media release</li></ul>	<ul style="list-style-type: none"><li>• Group financial performance</li><li>• Corporate governance</li><li>• Regulatory compliance</li><li>• Business prospects</li></ul>
OTHER STAKEHOLDERS	ENGAGEMENT CHANNELS	MATTERS DISCUSSED						
Investors and Media	<ul style="list-style-type: none"><li>• Annual report</li><li>• Quarterly report</li><li>• Investor's briefing</li><li>• Press conference</li><li>• Interviews and visits</li><li>• Media interviews</li><li>• Media release</li></ul>	<ul style="list-style-type: none"><li>• Group financial performance</li><li>• Corporate governance</li><li>• Regulatory compliance</li><li>• Business prospects</li></ul>						

	<b>Customers</b>	<ul style="list-style-type: none"> <li>• Customer's Feedback Form</li> <li>• Customer's Audit</li> <li>• Corrective Action Report</li> <li>• On-site factory visit</li> <li>• Regular Business Meetings</li> <li>• Electronic mail</li> <li>• Code of Ethics and Conduct</li> </ul>	<ul style="list-style-type: none"> <li>• Consistent quality product and quality control</li> <li>• Support services</li> <li>• ISO Certificate</li> <li>• Data Privacy &amp; Security</li> </ul>
	<b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Supplier's Evaluation and Appraisal</li> <li>• Site visit</li> <li>• Regular Business Meetings</li> <li>• Corrective Action Report</li> <li>• Electronic mail</li> <li>• Code of Ethics and Conduct</li> </ul>	<ul style="list-style-type: none"> <li>• Competitive Pricing</li> <li>• Packaging material</li> <li>• Sustainable supply chain management</li> <li>• Data Privacy &amp; Security</li> <li>• Incoming quality inspection</li> </ul>
	<b>Employees</b>	<ul style="list-style-type: none"> <li>• Performance appraisal</li> <li>• Internal memorandum</li> <li>• Training Programs</li> <li>• Department Meetings</li> <li>• Management Discussion and Meetings</li> <li>• Employees Training Needs Assessment</li> <li>• Employee engagement activity</li> <li>• Employee Handbook</li> <li>• Job enrichment through rotation</li> </ul>	<ul style="list-style-type: none"> <li>• Training and development</li> <li>• Talent attraction and retention</li> <li>• Occupational Safety and health</li> <li>• Team building activities</li> <li>• Staff performance</li> <li>• Employee welfare</li> <li>• Standard operating procedures ("SOP")</li> <li>• Employee engagement</li> </ul>
	<b>Government and Regulators</b>	<ul style="list-style-type: none"> <li>• Active engagement with respective authorities and regulatory agencies</li> <li>• Official correspondence</li> <li>• Timely submission of reports to relevant authority</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental compliance</li> <li>• Waste management</li> <li>• Strict compliance with all laws, regulations and requirements to maintain licenses</li> <li>• Human capital development and labour practices</li> </ul>
	<b>Local Communities</b>	<ul style="list-style-type: none"> <li>• Corporate social responsibilities</li> <li>• Sponsorships</li> </ul>	<ul style="list-style-type: none"> <li>• Social responsibilities events such as donations for school</li> </ul>

			<ul style="list-style-type: none"><li>• Job creation for local communication</li><li>• Energy, Pollution control</li></ul>
	<p>The Company’s website also provides material information and there is a dedicated investors site where corporate information is posted.</p> <p>The details of the Company’s engagement with stakeholders were set out in the Sustainability Report 2023.</p>		
Explanation for departure :			
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure :			
Timeframe :			



**Intended Outcome**

There is 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 Board is responsible to ensure that the Notice of AGM is circulated to the shareholders at least twenty-eight (28) days prior to the date of meeting.</p> <p>The Notice of the Sixth AGM together with Annual Report, Administrative Notes and Proxy Form of the Company were issued on 31 October 2022 for the AGM held on 22 December 2022, i.e. more than 28 days prior to the date of the Sixth AGM. Explanatory notes were also accompanied with the Notice of the Sixth AGM to provide further explanation on each resolution proposed to facilitate informed decision-making by the shareholders.</p> <p>Sufficient notice and time given to shareholders would allow the shareholders to consider the resolutions to be tabled at the AGM, and to make the necessary arrangements to attend and participate either in person, by corporate representative, by proxy or by attorney.</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.

Application	:	Applied	
Explanation on application of the practice	:	The Board was committed to attend the AGM, which remain as the principal forum for dialogue with shareholders.	
		All six (6) Directors (save for the Alternate Director), including Chairman of the respective Board Committees, attended the Company’s Sixth AGM and EGM held on 22 December 2022 and 22 February 2023 respectively.	
		The attendance of all Directors, Group Finance Director, Company Secretary, External Auditors and Principal Adviser (only attended EGM) had provided meaningful responses to the questions addressed to them and opportunities for them to engage with the stakeholders/ shareholders.	
The minutes of the Sixth AGM and EGM were published on the Company’s website within 30 business days from the date of the AGM and EGM.			
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

### Intended Outcome

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

### Practice 13.3

Listed companies should leverage technology to facilitate—

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company's Sixth AGM held on 22 December 2022 was conducted on a virtual basis by way of live streaming and online remote voting through the Remote Participation and Voting ("RPV") facilities in accordance with the Guidance and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia. The virtual AGM was conducted via online meeting platform provided by Tricor Investor &amp; Issuing House Services Sdn Bhd.</p> <p>Shareholders and proxies were able to participate, vote remotely and submit questions and feedbacks to the Board and Management via RPV facilities. The following measures were taken by Company to encourage attendance and participation from the shareholders at the virtual AGM:</p> <p>-</p> <ul style="list-style-type: none"><li>• Comprehensive Administrative Notes were circulated to shareholders guiding them on the registration of attendance, posing of questions prior to the AGM, appointment of proxies, and e-Voting process.</li><li>• Electronic lodgement of Proxy Forms was allowed.</li><li>• The AGM proceedings was broadcasted live via a web portal and mobile application.</li><li>• Electronic submission of questions by shareholders either via email or via the virtual AGM platform was enabled.</li><li>• Shareholders and proxies were also briefed on the use of the Query Box facility for submission of query real time during the meeting as well as the remote voting process.</li></ul> <p>The Deputy Managing Director presented the Group's business updates and financial highlights for the financial year 2022 during the AGM and all questions received from shareholders were meaningfully answered.</p> <p>The Company appointed Asia Securities Sdn Berhad as the scrutineers to verify and announce poll results for each resolution.</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 13.4

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>The Chairman is committed to ensure that shareholders were given the right opportunity to raise questions during the Sixth AGM and EGM held on 22 December 2022 and 22 February 2023 respectively.</p> <p>The Directors, Managing Director and Senior Management were present to provide responses to any questions addressed to them during the AGM and EGM. Shareholders and proxies were given sufficient opportunity and time to address their questions during the AGM and EGM.</p> <p>Shareholders were allowed to submit questions for the Board prior to the AGM via TIH Online website at <a href="https://tiih.online">https://tiih.online</a> by selecting "eServices". The Questions &amp; Answers ("Q&amp;A") session was kept open allowing members/proxies the opportunity to pose questions real time (in the form of typed text) throughout the AGM via the query box facility.</p> <p>The Chairman ensured that all questions raised pre-AGM and during the AGM and EGM for the Company's financial and non-financial, and the strategic plan were answered during AGM and EGM. The details of the responses were recorded in the minutes of the AGM and EGM. Thereafter, the minutes of both AGM and EGM were published on the Company's website within 30 business days of the AGM and EGM.</p> <p>The External Audit partner of Grant Thornton Malaysia PLT, Ms Tan Ver Leen, also attended the Sixth AGM to answer questions relating to financial issues if there were questions raised by the shareholders requiring clarification from the External Auditors.</p> <p>The representative of Kenanga Investment Bank Berhad, the Principal Adviser of the corporate exercise in respect of the proposed acquisition of Malayan Adhesives And Chemicals Sdn. Bhd., attended the EGM and</p>

	provided meaningful responses to questions addressed to them by the stakeholders/ shareholders.	
<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>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company had ensured effective conduct of its virtual AGM by way of live streaming and RPV facility provided by Tricor Investor &amp; Issuing House Services Sdn. Bhd. Despite the EGM of the Company was conducted in physical manner, the Sixth AGM on 22 December 2022 was held on virtual basis from the broadcast venue at Tricor Leadership Room, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.</p> <p>The virtual meeting conducted were supported with the following:</p> <ul style="list-style-type: none"><li>(i) live-video stream of all directors, senior management, company secretary, external auditors who participated in the AGM to address queries from shareholders;</li><li>(ii) tutorial video to guide shareholders, proxies and corporate representative through the voting procedure; and</li><li>(iii) submission of queries by shareholders, proxies and corporate representative were allowed prior to and throughout the meetings.</li></ul> <p>Online poll voting was allowed upon the commencement of the meetings to the benefit of shareholders, proxies and corporate representative who wish to cast their votes early. The additional time of the voting session were given to shareholder who has not cast their votes.</p> <p>Questions received prior to the meeting were shared together answers with all participants during the Q&amp;A session. The Board together with the Management had responded meaningfully to all questions received including live questions which were made visible to all participants during the meeting.</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>	:	<p>The minutes of the Sixth AGM and EGM held on 22 December 2022 and 22 February 2023 respectively were published on the Company's website no later than 30 business days after the general meetings.</p> <p>For the benefit of shareholders, the Company also published key matters raised for the meetings on company's website together with the minutes.</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>	:	

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

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

Click or tap here to enter text.

