



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of Citaglobal Berhad (“**the Board**”) acknowledges the importance of the principles and recommendations outlined in the Malaysian Code on Corporate Governance (“**MCCG**”). The Board is fully committed to upholding high standards of corporate governance practices across the Group, with the aim of safeguarding and enhancing long-term shareholder value as well as the interests of all stakeholders.

The Board is pleased to present the Corporate Governance Overview Statement (“**CG Statement**”), which describes how the Group applied and complied with the three (3) principles outlined in the MCCG throughout the financial year under review:-

- (a) Principle A: Board leadership and effectiveness;
- (b) Principle B: Effective audit and risk management; and
- (c) Principle C: Integrity in corporate reporting and meaningful relationship with stakeholders.

This CG Statement is prepared in accordance with the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and aims to give an overview of the compliance level with the three (3) Principles outlined in the MCCG. This CG Statement should be read together with the Corporate Governance Report 2023 of the Company which is available on the Company’s corporate website at [www.citaglobal.my](http://www.citaglobal.my).

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

#### Board Responsibilities

The Board bears the overarching governance responsibility, directing and overseeing the Group's activities. This includes defining the Group's strategic course, overseeing operations for success, implementing robust internal controls and risk management systems, and ensuring regulatory compliance.

Clear delineation exists between Board and Management roles, aligning with the Group's agility in response to evolving dynamics. Board responsibilities encompass pivotal decisions like approving financial results, strategic investments, and significant agreements, while seasoned Key Senior Management assumes responsibility for daily operations oversight.

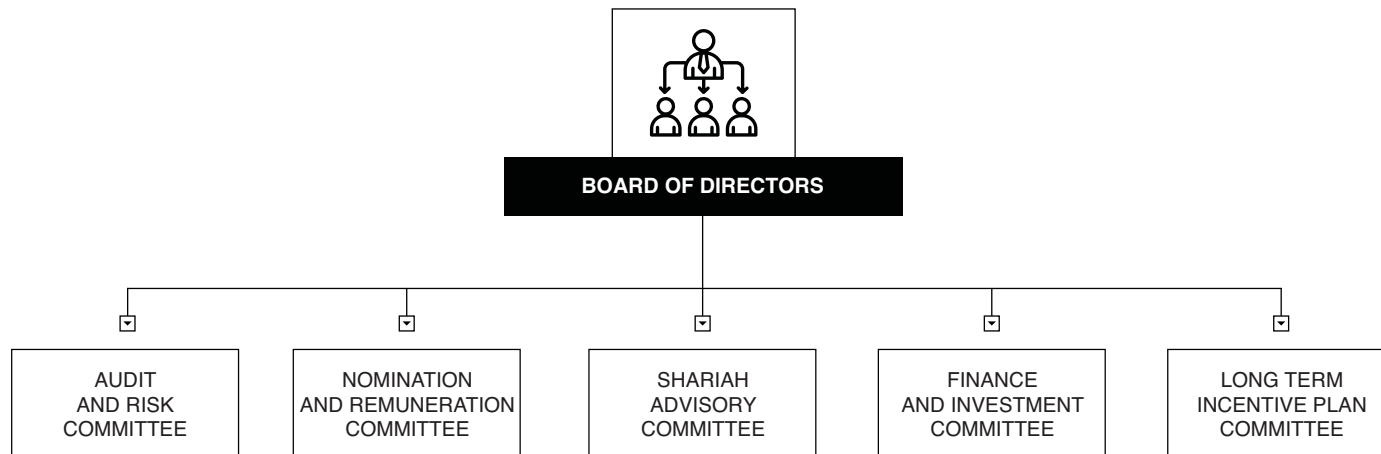
As part of adhering to sound corporate governance practices, the Board has established and enacted various processes to support Board members in fulfilling their roles and duties. These include:

- (a) Assessing and adopting strategic plans that enhance the Group's long-term value.
- (b) Supervising the Group's business operations to assess proper management.
- (c) Evaluating principal risks and ensuring effective internal control systems are in place to manage risks, alongside adopting relevant mitigation measures.
- (d) Reviewing the adequacy and reliability of the Group's internal controls and management information systems, including compliance with relevant laws, regulations, rules, directives, and guidelines.
- (e) Reviewing and endorsing succession planning, encompassing the appointment, training, compensation, and, when necessary, replacement of key executives.
- (f) Ensuring the development and implementation of an investor relations program and shareholder communication policy by the Management for the Group.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

To ensure efficient discharge of responsibilities, the Board has adopted a governance model where certain powers are delegated to appropriate Board Committees, outlined as follows:



### The Executive Chairman & President

YBhg. Tan Sri Dato' Sri (Dr.) Mohamad Norza Bin Zakaria was redesignated from the Executive Chairman to the Executive Chairman & President of the Company on 8 September 2021. The Board noted the combination of the positions of the Chairman and President is essential for the commercial environment that the Group is currently operating. Such a combination of roles renders credibility and confidence to third party(ies) on the authority of the Chairman and President for the successful conclusion of commercial deals/ transactions.

The Executive Chairman & President leads the Board by establishing the overarching direction and ensuring the Board's effectiveness in strategic planning, governance, and compliance.

To maintain a balance of power and authority on the Board, the following measures are undertaken:

- The Board's composition primarily comprises Independent Non-Executive Directors, who collectively hold significant influence in the Board's decision-making process. They are empowered to exercise independent judgement in the best interests of the Company and safeguard the interests of minority shareholders.
- Board decisions require approval by a majority of Directors present at the meeting, preventing any individual Director from exerting undue influence over the decision-making process.

### Chairman of the Board should not be a member of the Audit and Risk Committee, Nomination Committee and Remuneration Committee

The Board took note of the recommendation Practice 1.4 of the MCCG which states that the Chairman of the Board should not be a member of the Audit and Risk Committee, Nomination Committee or Remuneration Committee.

While YBhg. Tan Sri Dato' Sri (Dr.) Mohamad Norza Bin Zakaria, the Executive Chairman & President, serves as a member of the Finance and Investment Committee ("FIC"), he maintains awareness of his distinct roles on the Board and within the FIC. The FIC thoroughly deliberates on all issues before making recommendations to the Board, with active participation from three (3) Non-Executive Directors. Consequently, all recommendations put forth by the FIC to the Board are reached unanimously, effectively mitigating the risk of self-review.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

### Qualified and Competent Company Secretary

In compliance with Practice 1.5 of the MCCG, the Board members have full access to the two (2) Company Secretaries who are members of the 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.

The Board regularly receives advice, updates, and notifications from the Company Secretaries to ensure compliance with relevant laws, regulations, and corporate governance standards. The Company Secretaries attend and oversee the proper convening of all Board and Board Committee meetings, ensuring accurate and comprehensive minutes of discussions and decisions. Additionally, they are tasked with ensuring adherence to the Board's policies and procedures, as well as compliance with statutory and regulatory obligations.

### Access to Information and Advice

The Board members have unrestricted access to Management and Company Secretaries for comprehensive information regarding the Group's business and corporate affairs, ensuring effective discharge of their duties. Additionally, the Board has the option to seek external independent professional advice at the Group's expense when necessary.

Before Board or Board Committee meetings, Directors receive the agenda, minutes of previous meetings, and board papers in advance to allow ample time for review, consideration, and informed decision-making.

The Board has also identified the following key areas for further enhancement in the future:

- (i) Enhancing governance across Group entities to align expectations and improve information flow between the Board, Senior Management, and subsidiaries.
- (ii) Promoting higher levels of engagement and trust between the Board of the Company and its subsidiaries through open and effective communication.

### Board Charter

The Company has implemented a Board Charter that clearly outlines the roles, responsibilities, and authorities of both the Board of directors (individually and collectively) and Management in guiding the Group's direction, management, and control, as well as delineates matters reserved specifically for the Board's consideration. On April 13, 2022, the Board conducted a thorough review and subsequently approved the revised Board Charter.

### Code of Ethics and Conduct

The Code of Ethics and Conduct establishes the fundamental principles and ethical standards guiding the conduct of Directors and employees within the Group. It outlines expectations of professionalism and trustworthiness in carrying out responsibilities and representing the Group.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

### Whistle-Blowing Policy and Procedures

The Whistle-Blowing Policy and Procedures offer a confidential avenue for Directors, officers, employees, and the public to report instances of unethical, illegal, or undesirable behaviour without fear of reprisal. This policy operates independently of other established operational procedures. Reports under this policy should be directed to the Chairman of the Audit and Risk Committee. The Board will be informed of significant or potentially impactful disclosures.

To submit confidential reports:

- Online via email to: [whistle@citaglobal.my](mailto:whistle@citaglobal.my)
- By mail in a securely sealed envelope labelled "Strictly Confidential – To Be Opened by Addressee Only" addressed to:

**The Audit and Risk Committee Chairman**

Citaglobal Berhad

Level 9, Block 4, Menara TH Plaza Sentral, Jalan Stesen Sentral 5, KL Sentral,  
50470 Kuala Lumpur, Wilayah Persekutuan

### Sustainability Policy

The Board has formalised the Group's strategies for advancing sustainability, with a strong commitment from both the Board and Management to continually enhance the integration of sustainability principles into the organisational culture and operational processes. This includes a focus on accountability and transparency regarding sustainability performance.

The key impact areas for operating sustainably encompass ensuring safe operations and services for employees and customers, integrating environmental quality considerations into daily business activities, fostering an inclusive and inspiring workplace that promotes diversity and prohibits harassment, and adhering to legal, regulatory, and ethical standards.

The Board ensures that the Group's sustainability strategies, priorities, and targets, along with performance against these targets, are effectively communicated to both internal and external stakeholders. Performance evaluations of the Board and Senior Management also include an assessment of their efforts in addressing the Group's material sustainability risks and opportunities.

### Anti-Bribery and Corruption Policy and Procedure

With the enforcement of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018) on 1 June 2020, the Group has implemented an Anti-Bribery and Corruption Policy and Procedure to address improper solicitation, bribery, and other corrupt activities that may arise in the course of business. This policy aims to prevent acts of bribery and corruption within the organisation.

The Group will conduct continuous reviews of its anti-bribery and anti-corruption management system to evaluate the comprehensiveness of its systems, policies, and procedures. This ongoing assessment aims to enhance and address any deficiencies, providing assurance that the Group's systems are "reasonable and proportionate" to its nature and size and meet the requirements outlined in the Guidelines on Adequate Procedures.

The Diversity Policy, Board Charter, Code of Ethics and Conduct, Whistle-Blowing Policy and Procedures, Sustainability Policy, and Anti-Bribery and Corruption Policy and Procedure are available for public access on the Company's corporate website at [www.citaglobal.my](http://www.citaglobal.my).

### Board Composition

For the financial year ended 31 December 2023, the Board consisted of eight (8) members including one (1) Executive Director, five (5) Independent Non-Executive Directors and two (2) Non-Independent Non-Executive Directors. This composition aligns with Paragraph 15.02 of the MMLR of Bursa Securities which stipulates that at least 2 directors or 1/3 of the board of directors, whichever is higher, are independent directors and the recommendation of Practice 5.2 of the MCCG to have at least half of the Board comprises independent directors.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

During the financial year under review, there were changes to the composition of the Board as below:-

Date of change	Name of Directors	Details
1 July 2023	Datuk (Dr.) Yasmin Binti Mahmood	Appointed as an Independent Non-Executive Director of the Company.
3 July 2023	Encik Aimi Aizal Bin Nasharuddin	Redesignated from Independent Non-Executive Director to Non-Independent Non-Executive Director of the Company.

On 22 April 2024, Encik Aimi Aizal Bin Nasharuddin was redesignated from a Non-Independent Non-Executive Director to an Executive Director of the Company.

The Board Members bring diverse backgrounds and expertise from various fields, contributing their strengths to oversight, strategy, performance, control, resource allocation and integrity matters. This collective diversity ensures a well-balanced approach to decision-making, with representation from both major and minority shareholders.

While the Chairman of the Board holds the position of Executive Chairman & President, the Board benefits from the presence of five (5) Independent Non-Executive Directors who possess distinguished records and credentials. Their independence ensures the presence of unbiased views and judgements within the Board. The Independent Non-Executive Directors actively voice their concerns when necessary, promoting proper checks and balances in Board decisions and policy implementation.

Detailed profiles of the Directors can be found in the Directors' Profile section of this Annual Report.

### Tenure of Independent Directors

The Board is mindful that the tenure of an independent director should not exceed a cumulative term limit of nine (9) years and upon completion of the nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent Director. If the Board intends to retain the Independent Director beyond nine (9) years, the Board will seek annual shareholders' approval through a two-tier voting process in accordance with Practice 5.3 of MCCG.

Based on the assessment carried out during the financial year, the Board is satisfied with the level of independence demonstrated by all the Independent Directors and their ability to act in the best interests of the Company.

All Independent Directors maintain independence from management and are free from any relationships that may compromise their objectivity. The Board recognises that these Independent Directors can offer unbiased, objective judgements, thereby fostering balanced leadership within the Group. Their role also includes providing effective checks and balances to protect the interests of minority shareholders and other stakeholders.

The Company will seek the shareholders' approval to retain three (3) of the Independent Non-Executive Directors who have served more than nine (9) years on the Board as at the date of this CG Statement,

### Board Diversity

The Board acknowledges the significance of board diversity as a crucial factor in the sustainable growth of the Group and upholds a non-discriminatory approach based on ethnicity, age, gender, nationality, political or religious affiliation, marital status, educational background or physical abilities.

The Nomination and Remuneration Committee ("NRC") is entrusted with the task of assessing and identifying suitable candidates for new Board appointments. Before presenting candidates for Board approval, the NRC thoroughly evaluates the balance and composition of the Board, considering a blend of skills, independence, experience and diversity, including gender, ethnicity and age diversity.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

The Board has on 1 July 2023 appointed Datuk (Dr.) Yasmin Binti Mahmood as the Independent Non-Executive Director of the Company. The Company is committed to fostering increased representation of women within both the Board and senior management roles over the long term.

The Board is dedicated to offering fair and equal opportunities throughout the Group and recognises the significance of diversity in the boardroom and workplace. The Group is committed to promoting workplace diversity, ensuring fairness, accessibility, inclusivity and freedom from discrimination.

As at the date of this Annual Report, the diversity in the race/ethnicity of the existing Directors is as follows:-

	Race/Ethnicity				Gender		
	Malay	Chinese	Indian	Total	Male	Female	Total
<b>Number of Directors</b>	7	0	1	8	7	1	8

The existing Directors' age distribution falling within the respective age group is as follows:

Age Group (Years)	31 - 40	51 - 60	61 - 70	71-80	Total
<b>Number of Directors</b>	1	3	2	2	8

### Workforce Diversity

The Group is committed to a diverse and inclusive culture which is essential to the Group's future growth. The Group's gender and race/ethnicity diversity are made up of the following:-

Gender	Race/Ethnicity					
	Malay	Chinese	Indian	Other	Total	%
<b>Male</b>	190	35	14	49	288	74
<b>Female</b>	71	23	3	2	99	26

The Group's workforce diversity in terms of age is made up of the following:-

Gender	Age Group (Years)						
	Below 21	21-30	31-40	41-50	Above 50	Total	%
<b>Male</b>	7	67	88	70	56	288	74
<b>Female</b>	0	28	33	28	10	99	26

### Board Meetings

The Board convenes at least once every quarter and as required for specific matters such as approving quarterly financial results, the annual report, business plans, budgets, and reviewing the Group's performance, its subsidiaries, and other business development activities. Management and external advisors are invited to attend these meetings to provide their insights and advice on pertinent matters.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

The attendance record of each Director at Board meetings for the financial year ended December 31, 2023, is provided below:

Name	Attendance
YBhg. Tan Sri Dato' Sri (Dr.) Mohamad Norza Bin Zakaria	10/10
Encik Ikhlas Bin Kamarudin	9/10
Encik Aimi Aizal Bin Nasharuddin	9/10
Encik Rosli Bin Shafiei	10/10
YBhg Datuk Idris Bin Haji Hashim J.P.	10/10
YBhg Dato' Syed Kamarulzaman Bin Dato' Syed Zainol Khodki Shahabudin	10/10
YBhg Dato' Sri Mohan A/L C Sinnathamby	9/10
Datuk (Dr.) Yasmin Binti Mahmood (Appointed on 1 July 2023)	4/4

The Board is satisfied with the level of commitment given by the Directors towards fulfilling their roles and responsibilities as Directors. This, amongst others, is evidenced by the attendance record of the Directors at Board meetings.

The minimum 50% attendance requirement as stipulated in the MMLR has been complied with.

### Directors' Training

The Board acknowledges the importance of ongoing training to equip Directors with the necessary skills to fulfill their responsibilities effectively. Each Director may propose their training needs, which are then assessed annually by the Nomination and Remuneration Committee. This committee continuously evaluates and addresses training requirements to ensure Directors remain professional in their roles and makes recommendations to the Board accordingly.

The Board also encourages members to improve their skills and stay updated on new laws, regulations, commercial risks, economic developments, industry trends and technological advancements. During the financial year under review, the Directors attended the following seminars, conferences and programmes:-

Name	Training(s) Attended during the financial year under review
Tan Sri Dato' Sri (Dr.) Mohamad Norza Bin Zakaria	<ul style="list-style-type: none"> <li>• Building Strategic Board: Excellence in Corporate Governance</li> <li>• Equality, Diversity and Inclusion</li> <li>• Behind Boardroom Doors</li> </ul>
Datuk Idris Bin Haji Hashim J.P.	<ul style="list-style-type: none"> <li>• Whistleblower Protection Act</li> </ul>
Dato' Syed Kamarulzaman Bin Dato' Syed Zainol Khodki Shahabudin	<ul style="list-style-type: none"> <li>• Bursa Malaysia Immersive Session: The Board "Agender"</li> <li>• ICDM Corporate Members' Exclusive: A 60-minutes crisis management – a guide for Board members (2023)</li> <li>• ICDM Powertalk Series: Advancing Cyber Resilience: Board's Top 3 Must-Knows</li> <li>• Program ISM Executive Talk Siri 7/2023 "Utmost Practices for Innovative Leadership"</li> </ul>



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

Name	Training(s) Attended during the financial year under review
Encik Rosli Bin Shafiei	<ul style="list-style-type: none"> <li>Baker Tilly Malaysia Tax &amp; Budget Webinar</li> <li>Securities Commission AOB Conversation with Audit Committees</li> <li>ICDM Webinar on Climate Change and Carbon Footprint – Getting The Right Financial Risk and Reporting Perspectives</li> </ul>
Dato' Sri Mohan A/L C Sinnathamby	<ul style="list-style-type: none"> <li>600B - Anti Money Laundering - Risks &amp; Vulnerabilities in Capital Markets</li> <li>590 - Personal Data Protection &amp; Managing Customer Information in the age of Big Data</li> </ul>
Encik Ikhlas Bin Kamarudin	<ul style="list-style-type: none"> <li>Bual Bicara Integriti Profesional</li> </ul>
Encik Aimi Aizal Bin Nasharuddin	<ul style="list-style-type: none"> <li>Whistleblower Protection Act</li> </ul>
Datuk (Dr.) Yasmin Binti Mahmood	<ul style="list-style-type: none"> <li>Cybersecurity Awareness Session – Fundamentals knowledge on Bank Negara RMiT &amp; other regulatory requirements</li> <li>Mandatory Accreditation Programme Part 2: Leading for Impact (LIP)</li> <li>National Climate Governance Summit 2023</li> </ul>

All Directors of the Company have completed the Mandatory Accreditation Programme (MAP) prescribed by Bursa Securities for directors of listed issuers.

### Board Committees

To enhance the effective discharge of its fiduciary duties and responsibilities, the Board delegates certain responsibilities to Board Committees established for this purpose. Each Board Committee operates within clearly defined terms of reference approved by the Board. These Committees possess unrestricted authority to investigate issues and present their findings to the Board. As the Board Committees have no authority to make decisions on matters reserved for the Board, the recommendations would be deliberated by the Board as a whole for decisions.

#### (a) Nomination and Remuneration Committee

The principal objective of the NRC is to nominate and assess potential candidates for Board membership, ensuring an appropriate structure for succession and development. This includes establishing an effective process for director selection and tenure. Additionally, the NRC is tasked with reviewing and recommending to the Board the remuneration, compensation, and benefits packages of Executive Directors and Key Senior Management.

The roles and responsibilities, as well as activities of the NRC, are broadly categorised into the following:-

##### Nomination matters

- Identifying and evaluating potential candidates for Board membership.
- Assessing the skills, experience, qualifications, and diversity of candidates.
- Ensuring a structured succession plan for Board positions.
- Establishing criteria and processes for director selection and tenure.





## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

In discharging its responsibilities, the NRC performed the following activities during the financial year:-

- Reviewed the effectiveness and composition of the Board;
- Evaluated the performance of the Board and Board Committees and each of its members;
- Assessed the independence status of the Independent Non-Executive Directors;
- Recommended the re-election of Directors who retired pursuant to Clause 118 of the Company's Constitution to the Board for approval;
- Reviewed and deliberation on the findings and outcomes of the assessments of the Board, Board Committees and Directors' self and peer evaluation;
- Reviewed the term of office, appointment and performance of the Audit and Risk Committee and each of its members;
- Reviewed and recommended the appointment of Encik Aimi Aizal Nasharuddin as the Executive Director for Citaglobal Reneuco Energy Solution Sdn. Bhd. to the Board for approval;
- Reviewed and recommended the redesignation of Encik Aimi Aizal Nasharuddin from an Independent Non-Executive Director to a Non-Independent Non-Executive Director of the Company to the Board for approval;
- Reviewed and recommended the proposed appointment of a woman Director of the Company to the Board for approval;
- Reviewed and recommended the proposed appointment of YBhg. Datuk (Dr.) Yasmin Binti Mahmood as the Non-Executive Chairman for Telecommunication Division to the Board for approval;
- Reviewed and recommended the proposed appointment of YBhg. Datuk (Dr.) Yasmin Binti Mahmood as additional member of Finance and Investment Committee to the Board for approval.

The NRC conducted an annual assessment of the Board's effectiveness. The results are then tabulated and presented to the NRC for its review and recommendation to the Board for notation. A summarised version of the results is circulated to each Director for their information. The criteria that are used in the assessments of the Board and Board Committees include the required mix of skills and experience and the effectiveness of the Board and Board Committees.

### Remuneration Functions

- Reviewing and recommending remuneration, compensation, and benefits packages for Executive Directors and Key Senior Management.
- Ensuring that remuneration policies align with corporate objectives and shareholder interests.
- Monitoring and evaluating executive compensation programs for effectiveness and alignment with industry standards and best practices.

During the financial year under review, the NRC met and discharged the following duties on remuneration matters:-

- Reviewed and recommended the remuneration package of Executive Directors for the financial year ended 31 December 2023 to the Board for approval;
- Reviewed and recommended the Directors' fees for Non-Executive Directors for the period from 1 July 2023 to 30 June 2024 to the Board for approval; and
- Reviewed and recommended the Directors' benefits payable to Directors for the period from 1 July 2023 to 30 June 2024 to the Board for approval;
- Reviewed and recommended the proposed Director's Fees and Meeting Allowance payable to YBhg. Datuk (Dr.) Yasmin Binti Mahmood to the Board for approval;
- Reviewed and recommended the proposed increase in Directors' Fees for Citaglobal Berhad's Board of Directors to the Board for approval; and
- Reviewed and recommended the proposal to introduce Director Fees for Citaglobal staff assigned as Director to the Board for approval.

### Other Functions

During the financial year under review, the NRC met and discharged the following duties on other matters:-

- Reviewed the meetings attendance of the Board and members of the Board Committees for the financial year ended 31 December 2022; and
- Reviewed the training programmes attended by the Board members for the financial year ended 31 December 2022 and the training needs of the Directors for the financial year ending 31 December 2023.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

The composition of the NRC of the Company and the details of attendance of meetings during the financial year under review are as follows:-

Name	Designation	Attendance
YBhg. Dato' Syed Kamarulzaman Bin Dato' Syed Zainol Khodki Shahabudin	Chairman	4/4
YBhg Datuk Idris Bin Haji Hashim J. P.	Member	4/4
Encik Rosli Bin Shafiei	Member	4/4

The terms of reference of the NRC and Directors and Senior Management's Remuneration Policy are available for reference on the Company's website at [www.citaglobal.my](http://www.citaglobal.my).

### (b) Audit and Risk Committee

Effective from May 30, 2023, the Board has renamed the "Audit Committee" to the "Audit and Risk Committee" which broadened the committee's mandate to include oversight on risk management processes within the organisation and reinforcing the Board's commitment to robust governance practices.

The composition, functions, and a summary of activities of the Audit and Risk Committee are detailed in the Audit and Risk Committee Report included in this Annual Report.

Furthermore, the terms of reference governing the Audit and Risk Committee can be accessed for reference on the Company's website at [www.citaglobal.my](http://www.citaglobal.my).

### (c) Shariah Advisory Committee

The Shariah Advisory Committee plays a crucial oversight role in matters pertaining to Shariah compliance within the Group's business operations and activities. This committee is responsible and accountable for all Shariah decisions, opinions and views it provides. It ensures that all decisions align with Shariah principles at all times.

Main duties of the Shariah Advisory Committee shall include:-

- Provide advice to the Board and Management.
- Recommend Shariah Policies and Procedures for the Board's endorsement.
- Assist related parties on Shariah matters upon request for advice.
- Provide written Shariah opinion.

The composition of the Shariah Advisory Committee of the Company and the details of attendance of meetings during the financial year under review are as follows:-

Name	Designation	Attendance
YBhg. Dato' Syed Kamarulzaman Bin Dato' Syed Zainol Khodki Shahabudin	Chairman	2/2
Encik Ikhlas Bin Kamarudin	Member	2/2
Encik Ustaz Mahamahpoyi Hj Walsh	Member	2/2
Mr. Chan Fook Kwong	Management Representative	2/2



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

During the financial year under review, the Shariah Advisory Committee reviewed the financial/Shariah Compliance Ratio, Money Lending Activity and the same was also tabled to the Board for approval.

### (d) Long Term Incentive Plan (“LTIP”) Committee

The LTIP Committee was established to oversee the implementation and administration of the Executive Share Option Scheme and Executive Share Grant Scheme within the Company. The terms of reference for the LTIP Committee are accessible on the Company's corporate website at [www.citaglobal.my](http://www.citaglobal.my).

The composition of the LTIP Committee of the Company is as follows:-

Name	Designation
Encik Ikhlas Bin Kamaruddin	Chairman
Encik Rosli Bin Shafiei	Member
YBhg. Dato' Syed Kamarulzaman Bin Dato' Syed Zainol Khodki Shahabudin	Member

There was no meeting held for the financial year ended 31 December 2023.

There is no minimum requirement to hold a LTIP Committee Meeting in each financial year according to its terms of reference of the LTIP, as such the LTIP Committee agreed that there will be no scheduled meeting for LTIP Committee in the future until the need arises.

### (e) Finance and Investment Committee (“FIC”)

On June 1, 2023, the Risk, Finance, and Investment Committee (RFIC) was redesignated to the Finance and Investment Committee (FIC).

The principle objectives of the FIC are as follows:

- (i) To review, approve and/or recommend to the Board:
  - Discretionary capital expenditure in accordance with the prescribed limits set out in the Limit of Authority as proposed by companies within the Group;
  - all acquisitions, investments and divestments of companies in accordance with the prescribed limits as per the Limit of Authority and setting up of new material business (including joint ventures but excluding pre-bid joint venture and/or consortium agreements, non-binding Memorandums i.e. Memorandum of Business Exploration, Memorandum of Understanding etc.); and
  - the corporate strategy and planning and investment matters for the Group.
- (ii) Advise Management on suitable plans in respect of future investments.

The terms of reference of the FIC is available for reference on the Company's website at [www.citaglobal.my](http://www.citaglobal.my).

The changes in the composition of the FIC of the Company after the financial year ended 31 December 2023 and the details of attendance of the meeting during the financial year under review are as follows:-



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

Name	Designation	Attendance
Datuk (Dr.) Yasmin Binti Mahmood <i>(Appointed on 1 September 2023)</i> <i>(Redesignated from Member to Chairperson on 28 February 2024)</i>	Chairperson	2/2
Encik Aimi Aizal Bin Nasharuddin <i>(Redesignated from Chairman to Member on 28 February 2024)</i>	Member	2/2
YBhg. Tan Sri Dato' Sri (Dr.) Mohamad Norza Bin Zakaria <i>(Redesignated from Chairman to Member on 28 February 2023)</i>	Member	2/2
Encik Ikhlas Bin Kamarudin <i>(Appointed on 28 February 2023)</i>	Member	2/2

### Remuneration

The Board recognises the importance of offering appropriate and competitive remuneration to attract, retain and motivate Directors with the requisite calibre, expertise, and experience to lead the Group effectively. Remuneration for Executive Directors is tied to individual and corporate performance, ensuring alignment with the Group's goals. Non-Executive Directors' fees are determined based on their responsibilities without their input in the process in respect of their own fees.

The NRC formulates policies for evaluating compensation packages for Executive Directors and reviews and recommends remuneration packages and employment conditions to the Board for approval.

Executive Directors' remuneration comprises basic salaries, monetary incentives, and fringe benefits linked to achieving corporate performance targets. Their salaries include fixed (base salary) and variable (performance-based incentives) components. The Company may offer competitive benefits such as fully expensed cars, company drivers, fuel expenses, private medical insurance, and life insurance to attract and retain top talent. Business-related expenses like entertainment and travel are reimbursed, ensuring no additional compensation beyond the fixed remuneration.

Non-Executive Directors' remuneration consists of Directors' fees, meeting allowances, and other benefits based on their experience and level of responsibilities. They do not receive commission, profit percentages, or participate in performance-based bonuses or incentive plans. The NRC and Board review Non-Executive Directors' remuneration annually.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

The details of the Directors' remuneration for the financial year ended 31 December 2023 are as follows:-

NAME OF DIRECTORS	Company					Group				
	Fees ("RM")	Salaries & Bonus+ ("RM")	Benefits in-kind ("RM")	Others# ("RM")	Total ("RM")	Fees ("RM")	Salaries & Bonus+ ("RM")	Benefits in-kind ("RM")	Others # ("RM")	Total ("RM")
<b>Executive Directors</b>										
Tan Sri Dato' Sri Norza	-	1,282,439	20,330	-	1,302,769	-	1,354,222	20,330	-	1,374,552
<b>Total</b>	<b>-</b>	<b>1,282,439</b>	<b>20,330</b>	<b>-</b>	<b>1,302,769</b>	<b>-</b>	<b>1,354,222</b>	<b>20,330</b>	<b>-</b>	<b>1,374,552</b>
<b>Non-Executive Directors</b>										
En. Ikhlas	68,000	-	-	7,000	75,000	68,000	-	-	7,000	75,000
En. Rosli	80,000	-	-	15,000	95,000	80,000	-	-	15,000	95,000
Datuk Idris	64,000	-	-	13,000	77,000	64,000	-	-	13,000	77,000
Dato' Syed	72,000	-	-	15,500	87,500	72,000	-	-	15,500	87,500
Dato' Sri Mohan	64,000	-	-	11,000	75,000	184,000	-	7,200	11,462	202,662
En. Aimi	68,000	-	-	6,500	74,500	108,000	309,204	5,937	6,500	429,641
Datuk Yasmin	34,000	-	-	3,000	37,000	74,000	-	-	3,000	77,000
<b>Total</b>	<b>450,000</b>	<b>-</b>	<b>-</b>	<b>71,000</b>	<b>521,000</b>	<b>650,000</b>	<b>309,204</b>	<b>13,137</b>	<b>71,462</b>	<b>1,043,803</b>

Notes:

+ The salaries and bonus are inclusive of statutory contributions and fixed allowance.

# Comprises meeting allowance.

The Board has determined that disclosing the remuneration of the Key Senior Management would not be in the best interest of the Group due to considerations of confidentiality and the competitive nature of the industries in which the Group operates.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

#### Audit and Risk Committee

The Audit and Risk Committee of the Company comprises four (4) Independent Non-Executive Directors, with Encik Rosli Bin Shafiei serving as the Chairman of the Committee. This structure ensures that the Chairman of the Audit and Risk Committee is separate from the Chairman of the Board, in compliance with Paragraphs 15.09 and 15.10 of the MMLR and the recommendation of Practice 9.4 of MCCG by which all the four (4) Audit and Risk Committee members are Independent Non-Executive Directors and none of them have appointed alternate directors.

Additionally, none of the members of the Audit and Risk Committee were former key audit partners. The Board has no intention of appointing any former key audit partner as a member of the Audit and Risk Committee to maintain the highest level of independence. The Board believes that the collective expertise and experience of the Audit and Risk Committee members are sufficient to fulfill their responsibilities in overseeing the financial reporting process, internal controls and governance. These responsibilities are guided by the Committee's terms of reference.

On 30 May 2023, the Company adopted the revised terms of reference of the Audit and Risk Committee. Subsequently, the latest terms of reference of the Audit and Risk Committee was further revised on 22 November 2023, expanding the Committee's role to include reviewing the conflict of interest situations. The said terms of reference of the Audit and Risk Committee are available on the Company's website at [www.citaglobal.my](http://www.citaglobal.my).

The Audit and Risk Committee plays a crucial role in assisting the Board by reviewing and scrutinising information to ensure its appropriateness, accuracy and completeness of disclosure. The Committee also ensures compliance with applicable financial reporting standards for the Company's financial statements. Furthermore, the Committee reviews and monitors the accuracy and integrity of the Company's quarterly and annual financial statements, submitting them to the Board for approval and timely release as per the stipulated time frame.

#### Assessment of External Auditors

The Audit and Risk Committee adheres to Practice 9.3 of the MCCG by annually assessing the suitability, objectivity and independence of the External Auditors. This evaluation is conducted using the prescribed External Auditors Evaluation Form, focusing on various criteria such as competence, experience, resources, audit quality, independence, audit fees reasonableness and comparison with non-audit fees.

The External Auditors are invited to attend Audit and Risk Committee meetings as needed. During the financial year under review, meetings were held on February 27, 2023 and November 21, 2023, where the External Auditors discussed the audit scope, financial statements, audit findings and other pertinent matters without management presence.

The Audit and Risk Committee ensures the External Auditors implement policies for partner rotation every 7 years to maintain objectivity and independence, as per professional and regulatory requirements. The Committee reviews the External Auditors' appointment, performance and remuneration annually, including both audit and non-audit services, to maintain their independence and objectivity. The Company also has a Policy on the Provision of Non-Audit Services by External Auditors, ensuring appropriate selection of non-audit services based on the External Auditors' skills and experience, with considerations for fee levels relative to audit fees to ensure independence.

The Audit and Risk Committee expressed satisfaction with the External Auditors' performance, suitability and independence based on the quality of services and resources provided to the Group, including the firm's expertise and professional employees assigned to the audit.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

### Risk Management and Internal Control Framework

The Board recognises the importance of risk management as a fundamental aspect of sound management practices, understanding that risk is inherent in all business activities. The Group's goal is not to eliminate risk entirely but rather to review, prioritise and manage risks across all activities while balancing the cost of risk management against the anticipated benefits.

As of 30 May 2023, the responsibility for overseeing risk management shifted to the Audit and Risk Committee, taking over from the Finance and Investment Committee. The Management is tasked with implementing Board-approved policies and procedures on risk management, including identifying, evaluating and monitoring risks within established risk appetite parameters aligned with business objectives.

The Board has also established an internal audit function. In year 2023, the internal audit function was carried out on a co-source basis i.e. an in-house internal audit team and an outsourced professional firm. The Internal Auditors report directly to the Audit and Risk Committee and are responsible for conducting reviews and appraisals of governance, internal controls and processes within the Group.

For further details on the Group's risk management and internal control systems, please refer to the Statement on Risk Management and Internal Control provided in this Annual Report.

### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

#### Communication with Stakeholders

The Board places great importance on transparent, consistent and coherent communications with the investing community while maintaining commercial confidentiality and adhering to regulatory considerations. To facilitate this, the Board has formalised the Corporate Disclosure Policy and Procedures. This policy helps ensure that information provided is comprehensive, accurate, timely and complies with legal and regulatory requirements, aiming for accuracy, timeliness, factualness, informativeness, balance and broad dissemination in communications to the investing public.

Recognising the importance of transparency and accountability to shareholders, stakeholders and investors, the Board engages in regular communications regarding the Group's performance and major developments. This includes timely releases of quarterly financial results, circulars, annual reports, corporate announcements and press releases.

Furthermore, the Board strives to foster long-term relationships with stakeholders by utilising appropriate channels for information disclosure. The Company's website, [www.citaglobal.my](http://www.citaglobal.my), features dedicated sections on Corporate Governance and Investor Relations, enhancing communication with stakeholders.

In alignment with the Group's sustainability commitment, shareholders are encouraged to receive information and communications electronically. Shareholders are urged to opt for electronic notification of information releases and receive the Annual Report, Notice of AGM and proxy form via email, promoting efficient and environmentally friendly communication methods.

#### Conduct of General Meetings

The Company values the Annual General Meeting (AGM) as the primary forum for dialogue with shareholders, facilitating direct two-way interactions between shareholders, Directors and Senior Management. The Notice of AGM, sent at least 28 days prior to the AGM, provides shareholders with details of the meeting, resolutions for approval and their entitlement to attend, as well as the right to appoint proxies, encouraging shareholder participation.

All Directors, Senior Management and External Auditors attend the AGM. Shareholders attendance are encouraged and given ample opportunity to raise questions regarding the Annual Report, proposed resolutions and the Group's business. Directors, Committee Chairs, Senior Management and appropriate personnel provide responses, answers and clarifications during the meeting.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

In compliance with paragraph 8.29A of the MMLR of Bursa Securities, poll voting was used at the previous AGM to facilitate the voting process for resolutions. An independent scrutineer was appointed to oversee the polling process, ensuring transparency and fairness in decision-making.

The minutes of the 18th AGM held on 30 May 2023 was published at the Company's website at [www.citaglobal.my/shareholders-meeting/](http://www.citaglobal.my/shareholders-meeting/)

### KEY FOCUS AREAS AND FUTURE PRIORITIES

The key focus areas and future priorities for the Group moving forward to ensure growth, sustainability and competitiveness are as below:

- 1. Sustainability:**
  - Integrating sustainability practices into business operations, including reducing carbon footprint, adopting eco-friendly processes and supporting social causes.
  - Meeting regulatory requirements and addressing stakeholder expectations regarding environmental and social impact.
- 2. Risk Management and Resilience:**
  - Strengthening risk management framework to mitigate potential threats, including cybersecurity risks, supply chain disruptions and economic uncertainties.
  - Building resilience by diversifying revenue streams and having contingency plans in place.
- 3. Business Expansion:**
  - Exploring new markets and expanding global presence through strategic partnerships, acquisitions or entering untapped regions.
  - Adapting business strategies to navigate geopolitical challenges and trade regulations.
- 4. Talent Development and Employee Well-being:**
  - Investing in employee training and development to build a skilled and adaptable workforce.
  - Focusing on employee well-being, diversity, equity and inclusion (DEI) initiatives to foster a positive work culture.
- 5. Digital Transformation:**
  - Accelerating digital transformation initiatives to improve agility, efficiency and scalability.
  - Adopting cloud computing, automation and digital platforms for seamless operations and collaboration.

These focus areas and priorities are interconnected, and the Group often need to strike a balance between them based on their specific business objectives, industry landscape and market trends. Regular evaluation and adjustment of strategies are essential to ensure long-term success and relevance in a rapidly evolving business environment.