

CORPORATE GOVERNANCE REPORT

STOCK CODE : 6181
COMPANY NAME : MALTON 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 PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board assumes the responsibility for effective stewardship and control of leading the Group in planning and strategizing goals and objectives for the Group to safeguard the interests of the shareholders and stakeholders.</p> <p>The Board is collectively responsible in exercising oversight on the management of the businesses of the Group to ensure that operations are carried out in accordance to its directions to achieve sustainable results and long term success. The Board has established the standard of ethical values and governance framework for the Group to achieve its goals and objectives. The implementation of the business plans and strategies to achieve the goals are delegated to the executive members of the Board and Management.</p> <p>The Board, in discharging its duties, has adopted the following strategies:-</p> <ul style="list-style-type: none">• The Board is responsible for setting and planning the goals and objectives for the Group.• Set the standard of ethical values and good governance through Code of Conduct and Business Ethics for implementation by Management throughout the Group.• Develop, implement and oversee the conduct of business operations together with Management.• Implement mechanisms to monitor progress against the goals and objectives.• Based on the Code of Conduct and Business Ethics established for the Group, the Board together with Management develop a control framework through Discretionary Authority Limits and Standard Operating Procedures for the Group to ensure internal controls are in place.• Established Anti-Bribery and Anti-Corruption Policy and Whistleblowing Policy, in compliance with the requirements set out

	<p>in the MACC (Amendment) Act 2018 (MACC Act), with the aim to foster the growth of a business environment that is free of corruption.</p> <ul style="list-style-type: none"> • Identify principal risks which could affect the Group and develop the necessary mitigation measures to alleviate, pre-empt or resolve the effects of the risks. • Succession planning for continuous growth and smooth operation of the Group’s business which include mentorship and development of employees’ skills and competencies. • Develop and implement communication policies for the Group for effective communication with shareholders and other stakeholders. <p>In addition to delegating certain operational authorities to Management, the Board has also established the following Board Committees to assist the Board in the oversight of various areas of its duties.</p> <ul style="list-style-type: none"> • Audit Committee • Nominating Committee • Remuneration Committee • ESOS Committee <p>Each committee has its own terms of reference, which sets out the functions, responsibilities and authorities of the committee.</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Chairman of the Board who is Non-Independent Non-Executive, together with the Deputy Chairman, Non-Independent Non-Executive Director, ensure that the Board practices good governance in discharging its duties and responsibilities.</p> <p>The primary role of the Non-Independent Non-Executive Chairman is to lead the Board in setting the vision and direction of the Group. The Chairman also ensures that the Board is effective in overseeing the business of the Group. The Chairman sets the tone on ethical values and good corporate governance that are implemented throughout the Group. The Chairman together with the Deputy Chairman, manage the roles and responsibilities of the Board as a whole and set the agenda for board discussions.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Chairman of Malton Berhad who is non-independent and non-executive, is not involved in the in executive duties of the Board.</p> <p>Currently, Malton Berhad does not have a CEO. The executive powers of the Board are held by three executive directors who oversee the implementation of business plans of the Group drawn up by the Board to achieve the vision and strategic direction for the Group keeping in line with ethical values and governance framework approved by the Board. The executive directors are involved in the day-to-day operations of the Group.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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>	
Application :	Applied
Explanation on application of the practice :	The Non-Independent Non-Executive Chairman of the Board is not a member of any of the committees of the Board.
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises that the company secretary plays an important role in advising the Board on governance matters and in ensuring that an effective system of corporate governance is established. The company secretary also plays a key role in guiding and advising the Board on compliance matters such as company and securities law and listing requirements. The company secretary also advises the Board on board policies and procedures and manages the agenda, facilities and communication for meetings of the Board and shareholders. In order to contribute and function effectively, the company secretary has the necessary qualification recognized by the relevant regulatory authorities, experience and capability to carry out the duties of this position. In addition, the company secretary keeps abreast with the developments around corporate and securities law, listing requirements and corporate governance practices. Accordingly, a structured training programme is in place for the company secretary to improve knowledge and skills.</p> <p>The Company Secretary of Malton is a fellow member of the Malaysian Institute of Chartered Secretaries and Administrators. The Board has unrestricted access to the advice of the Company Secretary on all matters concerning governance and regulatory requirements.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied	
Explanation on application of the practice	:	Board meetings are structured with pre-determined agendas. Notification on Board meetings is sufficiently given to enable full attendance at Board meetings. Board papers which are appropriate and complete with comprehensive information are prepared and circulated prior to each Board meeting. Board papers are targeted to be distributed to the Directors within 5 business days in advance of the board meeting for their review and request further information and explanation, if necessary. The Directors also have unfettered access to all information within the Group in furtherance of their duties. Minutes which record the deliberations and decisions of the meetings are circulated for review by the Board members on accuracy and completeness.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board Charter sets out the roles and responsibilities of the Board and serves as a reference to the Board on the matters for the Board deliberation and the roles and responsibilities delegated to Management and Board Committees.</p> <p>The Board Charter is reviewed periodically to ensure that it remains consistent with the vision and mission of the Group and strategic direction of the Group, in compliance with governance and regulatory changes.</p> <p>The Board Charter is available on Malton's website at www.malton.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
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 3.1

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 Board has established a Code of Conduct and Business Ethics for the Group which sets out the standard professional and personal behaviour for all employees at the work place. The Code of Conduct and Business Ethics serves as a guide on matters concerning conflicts of interest, confidentiality, fraud, staff relations, safeguard of properties, compliance with laws and regulations amongst others.</p> <p>The Code of Conduct and Business Ethics will be reviewed periodically to keep the Group up to date with the latest laws and regulations as well as consistent with the best practices.</p> <p>The Code of Conduct and Business Ethics is available on Malton’s website at www.malton.com.my.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
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.

Application	:	Applied
Explanation on application of the practice	:	<p>In line with the requirements of the Malaysian Anti-Corruption Commission Act, 2009 (Amended 2018), the Board has formalised the anti-bribery and anti-corruption policy and procedures of the Group. The Board upholds a business environment that is free of corruption. Pursuant to the Anti-Bribery and Anti-Corruption Policy, the Whistleblowing Policy and Procedures enable concerns of possible improprieties and malpractices in the Group to be brought to the attention of the Board and Management in an appropriate manner. The reporting procedure and process are set out in the policy.</p> <p>The Anti-Bribery and Anti-Corruption Policy and Whistleblowing Policy of the Group are available on Malton's website at www.malton.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group believes that high standard of governance to safeguard stakeholders' interests. With the leadership of the Board and support of Management, the Group has pledged to maintain high standard of governance while integrating ESG factors into our business operations to create sustainable value for all our stakeholders.</p> <p>The Board provides an oversight on the sustainability governance matters to ensure sustainability is embedded in the Group with adequate resources in place to address the material sustainability issues.</p> <p>The Sustainability Committee is charged with driving the sustainability goals of the Group covering:-</p> <ul style="list-style-type: none">• Endorsing proposed sustainable strategies and initiatives• Oversees overall implementation of sustainability initiatives• Final approval for the Group's sustainability initiatives• Set the strategic business direction and goals of the Group• Set the sustainability direction of the Group• Embed the culture of sustainability in the Group
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

Practice 4.2

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

Application	: Applied
Explanation on application of the practice	: The mode of engagement that we have developed to communicate with our key stakeholder includes, but are not limited to the following: <ul style="list-style-type: none"> <u>Employees</u> <ul style="list-style-type: none"> • Annual performance appraisal • Internal communication channels such as emails and group chats • Virtual meetings • Safety and Health briefings • Voluntary programmes • Festive celebrations <u>Customers</u> <ul style="list-style-type: none"> • Online and offline communication • Customer satisfaction survey • Outreach events and roadshows • CSR programmes <u>Government and Regulatory Authorities</u> <ul style="list-style-type: none"> • Report submission • Meetings • Site visits and inspections • Industry events and seminars <u>Financiers and Banks</u> <ul style="list-style-type: none"> • Meetings and formal correspondence • Project reports • Corporate disclosures • Media announcements • Public information on our corporate website <u>Shareholders and Investors</u> <ul style="list-style-type: none"> • Publication of annual reports and financial statements • Public information on our corporate website • Analyst briefings • Regular shareholder communication • Annual general meetings

	<p><u>Consultants, Vendors, and Contractors</u></p> <ul style="list-style-type: none"> • Tender and bidding • Vendor assessment system • Meetings and site visits • Workshops and trainings • Annual performance evaluation <p><u>Media</u></p> <ul style="list-style-type: none"> • Press releases • Conferences and media briefings • Product launches and corporate events • Networking sessions <p><u>Local Communities</u></p> <ul style="list-style-type: none"> • Formal and informal meetings and dialogues • Social media and corporate website • CSR programmes <p>Non-Governmental Organisations (NGO)</p> <ul style="list-style-type: none"> • Formal and informal meetings and dialogues • Strategic partnerships • Joint events and programmes <p>Details of the stakeholder engagement is set out in the Sustainability Statement of the Annual Report 2023.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

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 is committed to staying abreast of sustainability issues relevant to the Company and will continue to engage in relevant educational programmes that enable the Board and senior management to spearhead discussions and make informed decisions regarding the Group’s sustainability strategies.</p> <p>The Company has engaged a consultant to assist on analysis of the impact of our operations have on the environment and society, and to provide some guidance on improving and enhancing our sustainability practices.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The current performance evaluations of the Board and Senior Management do not address the Company’s material sustainability risks and opportunities.	
		The Board is in the process of identifying and developing suitable Key Performance Indicators to be adopted into the performance review process in the future.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Nominating Committee oversees the review of the overall composition of the Board in terms of the size of the Board, skills, expertise, experience and tenure of the Directors. The Committee is also tasked to carry out evaluation of the effectiveness and contribution of each Director, the Board as a whole and Board Committees.</p> <p>Based on the results of the review of the Board members including the retiring directors by rotation and are eligible for re-election namely Datuk Hong Lay Chuan and Dato' Siew Mun Wai. The Board is satisfied with their performance and contribution and supports their re-election and recommends the re-election of the retiring directors for approval by the shareholders at the 28th AGM.</p> <p>Further information of the review carried out by the Nominating Committee for the financial year ended 30 June 2023 is set out in Practice 6.1 of this report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The ratio of independent directors on the Board of Malton fulfils the requirements of Paragraph 15.02(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Main Market Listing Requirements”) which sets out that at least two (2) directors or 1/3 of the board of directors of a listed issuer, whichever is the higher, are independent directors.	
		The Board takes cognizance of the MCCG which recommends that the at least half of the Board comprises independent directors. The Board is of the view that the presence of independent non-executive directors in the Board is the good balance of executive powers and independent oversight of the management of the Group which enable the Board to carry out its duties effectively and objectively. The Board will continually review its composition, assessment of the performance of the Board as a whole and individually to improve personal performance of each director and effectiveness of the Board as a whole.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 5.3

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

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board takes cognizance that the MCCG recommends that the tenure of an independent director should not exceed a cumulative term of 9 years. The Board has established an evaluation procedure to ensure that independent directors meet the criteria of independent directors set out in the Main Market Listing Requirements and the effectiveness and contribution of each independent director. In the opinion of the Board as a whole, the independent directors have met the criteria set out in the Main Market Listing Requirements. Each independent director has affirmed his independency and brings invaluable judgement to bear on issues of strategy, performance, allocation of resources, risk management, internal controls and standards of conduct for the Group. The minority shareholders are well represented by the presence of the existing independent non-executive directors in the Board who have shown that they are individuals with integrity and highly capable and competent to carry out their duties and responsibilities. In this connection, the Company presently does not limit the terms of an independent director as recommended in the MCCG. The evaluation process will determine if an independent director will remain objective and continue to be fair and impartial in all Board deliberations and decision making. The continued tenure of independent directors also brings stability to the Board and the Group benefits from the directors who have, over time, gained valuable insight of the Group, its market and industry.</p> <p>All directors are required to submit themselves for re-election at annual general meeting every 3 years under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Constitution of the Company. Following the recommendation set out in the MCCG, the Board will seek shareholders' approval to retain them as Independent Non-Executive Directors through a two-tier voting process.</p>

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

Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 5.4 - 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.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of boardroom diversity and values the benefits that diversity can bring to its Board.</p> <p>The Board also recognises that having a range of different skills, backgrounds, experience and diversity is essential to ensure a broad range of viewpoints to facilitate optimal decision making and effective governance.</p> <p>The Board is of the view that, while promoting boardroom diversity is essential, the selection criteria of a Director is based on an effective blend of competencies, skills, extensive experience and knowledge so as to strengthen the Board.</p> <p>The assessment of the Board members individually and the Board as a whole, carried out by the Nominating Committee, is guided by the Directors' Fit and Proper Policy of the Company. The basis of assessment covers character and integrity, experience and competency including qualification, skills, relevant experience and expertise.</p> <p>All existing Directors of the Company had devoted sufficient time to carry out their duties. None of them hold more than five directorships in listed companies and they are required to notify the Chairman of the Board before accepting any new directorships outside the Group and indicating the time that will be spent on the new directorship.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.6

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.

Application	:	Applied	
Explanation on application of the practice	:	The Board delegates the assessment for new appointments to the Nominating Committee. The Nominating Committee may consider recommendations from existing directors, major shareholders, independent professional recruitment specialists or professional bodies to identify suitably qualified candidates for new appointment to the Board. The Nominating Committee is guided by the process and procedures that are established to select candidates who can discharge his or her duties and responsibilities as a director effectively.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.7

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.

Application	:	Applied
Explanation on application of the practice	:	Shareholders are kept informed of the changes in the composition of the Board and Board Committees of the Company via announcements released to Bursa Malaysia Securities Berhad. The information of directors who are standing for re-election at the forthcoming 28 th Annual General Meeting (28 th AGM) are set out in Board of Directors in the Annual Report 2023. Additionally, a statement by the Board on whether they are supportive of the re-election is disclosed in the explanatory notes at the notice of AGM dated 31 October 2023.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Nominating Committee is chaired by Mr Guido Paul Philip Joseph Ravelli, who was an Independent Non-Executive Director until he was redesignation Non-Independent Non-Executive Director on 31 May 2023. Hence, for most of the financial year ended 30 June 2023, the Company, until 31 May 2023, had applied Practice 5.8.	
		As Chairman of the Nominating Committee, Mr Ravelli has managed the responsibilities of the Committee effectively to achieve the objectives of Committee.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Malton Berhad has one woman director on its Board in compliance with Paragraph 15.02 (1) (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.</p> <p>The Board presently does not have any gender policies in its evaluation of candidacy and assessment of the performance of the Board as a whole or the Directors individually as the main considerations for a Board appointment and performance as a Director is on character, integrity, experience and competency.</p> <p>The Board takes cognizance of the recommendations on gender diversity set out in the MCCG and will evaluate the policies from time to time and if found suitable and necessary, revise the policies to meet the requirements of the Company.</p> <p>The Board, through the Nominating Committee, will take steps to consider women candidates as part of its recruitment exercise.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

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

Practice 5.10

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board presently does not have any gender policies in its evaluation of candidacy and assessment of the performance of the Board as a whole or the Directors individually as the main considerations for a Board appointment and performance as a Director are character, integrity, experience and competency.</p> <p>The Board takes cognizance of the recommendations on gender diversity set out in the MCCG and will evaluate the policies from time to time and if found suitable and necessary, revise the policies to meet the requirements of the Company.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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>	
Application	: Applied
Explanation on application of the practice	: For the financial year ended 30 June 2023, the Nominating Committee guided by the Directors' Fit and Proper Policy, reviewed the performance of the Board members, individually and collectively as a Board and also the Board Committees based on the following key aspects:- <ul style="list-style-type: none">• Size of the Board• Composition of the Board to assess the ratio of Independent Directors• Assessment of independency of the Independent Directors• Diversity of skills and experience of the Board• Scope of responsibilities and discharge of duties of the Board as a whole and the Board members individually• Effectiveness of the Board as a whole and the Board members individually• Review of the tenure of each director• Functions of Board Committees and the Terms of Reference• Discharge of duties and responsibilities of the Board Committees <p>The Nominating Committee is satisfied that the Board as a whole and the Board members individually have fulfilled their duties and responsibilities effectively and are suitably qualified in their respective positions. Additionally, the annual re-election of a director is contingent upon satisfactory evaluation of the performance and contribution to the Board and Group.</p> <p>On the review of the Remuneration Committee, ESOS Committee and Audit Committee, the Nominating Committee concluded that each Board Committee carried out its functions and responsibilities effectively in accordance with its terms of reference.</p>

	An evaluation of the Independent Directors was also carried out to assess their independency and competency to continue in office as independent directors of Malton on self-assessment basis and by the other members of the Board. It was concluded that each independent director has continuously maintained his independency and is competent to continue serving as an independent director of the Company.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The function for assessment of the remuneration of directors and senior management is charged to the Remuneration Committee. The responsibilities and authority of the Remuneration Committee are set out in its terms of reference. The Committee will review the remuneration package of each Executive Director from time to time to assess and make appropriate recommendation, if necessary, to ensure that remuneration packages are competitive to attract and retain capable executives who can manage the Group successfully. Executive Directors have no part in the decision-making process of their own remuneration.</p> <p>The determination of remuneration packages of independent non-executive directors is a matter of the Board as a whole. The independent non-executive directors do not partake in decisions affecting their remuneration.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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.

Application	:	Applied
Explanation on application of the practice	:	To assist the Board in the discharge of its responsibilities in this matter, the Board endorsed the formation of the Remuneration Committee on 24 October 2002. The Remuneration Committee currently comprises:- <ul style="list-style-type: none">• Guido Paul Philip Joseph Ravelli (Chairman)• Chua Thian Teck (Member)• Arunasalam A/L Muthusamy (Member) For the financial year ended 30 June 2023, the Remuneration Committee reviewed the remuneration policies, structure and packages of each director and reported to the Board of Directors.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied
Explanation on application of the practice	:	The details of remuneration of each director is set out in the table below.

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	Tan Sri Lim Siew Choon	Non-Executive Non-Independent Director	240,000	-	-	-	41,241	-	281,241	240,000	-	-	-	41,241	-	281,241
2	Guido Paul Philip Joseph Ravelli	Non-Executive Non-Independent Director	48,000	14,000	-	-	7,200	-	69,200	48,000	14,000	-	-	7,200	-	69,200
3	Puan Sri Tan Kewi Yong	Executive Director	-	-	720,000	-	22,700	86,400	829,100	-	-	720,000	-	22,700	86,400	829,100
4	Chua Thian Teck	Executive Director	-	-	1,040,000	-	25,736	115,200	1,180,936	-	-	1,040,000	-	25,736	115,200	1,180,936
5	Datuk Hong Lay Chuan	Executive Director	-	-	960,000	-	22,700	115,200	1,097,900	-	-	960,000	-	22,700	115,200	1,097,900
6	Hj Ahmad bin Hj Ismail, PJK	Independent Director	44,000	13,000	-	-	4,500	-	61,500	44,000	13,000	-	-	4,500	-	61,500
7	Dato' Siew Mun Wai	Independent Director	48,000	14,000	-	-	-	-	62,000	48,000	14,000	-	-	-	-	62,000
8	Arunasalam A/L Muthusamy	Independent Director	4,000	1,000	-	-	-	-	5,000	4,000	1,000	-	-	-	-	5,000
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

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

Practice 8.2

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

Application	:	Departure					
Explanation on application of the practice	:						
Explanation for departure	:	The Company is of the view that it would not be in its best interest to make such disclosure on a named basis in view of the competitive nature of human resource market and the Company should maintain confidentiality on employees' remuneration packages.					
		The remuneration of the Key Senior Management for the financial year ended 30 June 2023 on an aggregate basis in bands of RM50,000 is set out below.					
		<table border="1"> <thead> <tr> <th>Total remuneration in bands</th> <th>Number of Key Senior Management</th> </tr> </thead> <tbody> <tr> <td>RM650,001 to RM700,000</td> <td>1</td> </tr> <tr> <td>RM800,001 to RM850,000</td> <td>1</td> </tr> </tbody> </table>	Total remuneration in bands	Number of Key Senior Management	RM650,001 to RM700,000	1	RM800,001 to RM850,000
Total remuneration in bands	Number of Key Senior Management						
RM650,001 to RM700,000	1						
RM800,001 to RM850,000	1						
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>							
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.					
Timeframe	:	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.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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.

Application	:	Applied	
Explanation on application of the practice	:	Mr Guido Paul Philip Joseph Ravelli who served as the Chairman of the Audit Committee until 31 May 2023 was not the Chairman of the Board. Mr Arunasalam A/L Muthusamy, the currently Chairman of the Audit Committee appointed on 31 May 2023 is not Chairman of the Board.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
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 9.2

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	:	The Board is mindful of the importance of upholding the independence of the Audit Committee. The Audit Committee has, in its terms of reference, that any former partner of the external audit firm of Malton Berhad must observe a cooling-off period of at least three years before nomination and consideration for appointment as a member of the Audit Committee. Presently, none of the members of the Audit Committee is a former key audit partner.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
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.

Application	:	Applied
Explanation on application of the practice	:	<p>One of the key functions and responsibilities of the Audit Committee is evaluation of the performance and audit independence of the external auditors.</p> <p>The Audit Committee carries out the review of the suitability, performance and independence of the external auditors on an annual basis based on the Professional Services Planning Memorandum (Planning Report) and the financial statements presented by the external auditors.</p> <p>Prior to the commencement of an audit, Deloitte PLT, the external auditors of Malton Berhad will present the Planning Report to the Audit Committee which essentially outlines the responsibilities of the auditors, audit programme covering objectives, quality policies, scope, audit approach and procedures that Deloitte will apply in carrying out their audit. The Planning Report also sets out the Independence Policies and Procedures adopted by Deloitte PLT and their compliance with the Independence Policies.</p> <p>On completion of an audit, the Audit Committee reviews the financial statements together with the external auditors before making recommendations to the Board for approval and issuance to the shareholders and Bursa Malaysia during which the Audit Committee meets with the external auditors without members of Management present to discuss the audit process and assistance and cooperation extended by Management and employees to the external auditors.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application :	Not Adopted
Explanation on adoption of the practice :	

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The members of the Audit Committee come from a wide range and diverse background in qualification, skills and experience necessary to discharge their duties. All of the members are financial literate and familiar with matters concerning property development and construction.</p> <p>All of the members of the Audit Committee undergo annual review to assess their performance and contribution and effectiveness.</p> <p>The members of the Audit Committee are committed to continuous learning and keep themselves abreast with relevant developments in auditing, finance, sustainability, property development and construction and any other relevant areas of knowledge. During the financial year ended 30 June 2023, the members had attended seminars on audit oversight and sustainability ethics and practices.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board as a whole is responsible for the oversight of risk management framework of the Group which includes ensuring that a sound system of risk management and internal controls is in place.</p> <p>The Executive Directors together with Senior Management are entrusted with identifying the principal risks that could affect the operations of the Group, assessment of the impact of the risks and establish policies and mechanisms to mitigate the risks.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group's business comprises Property Development Division, Construction and Project Management Division and Property Trading. The Board and Senior Management have developed a risk management framework within the governance system of the Group, essentially designed to determine and analyse the risks that could disrupt the operations of the Group. A sound system of internal controls is intended to assist in achieving various aspects of good corporate governance. The purpose of a system of internal controls is to guide the Group's approach and behaviour.</p> <p>The Statement on Risk Management and Internal Control which provides an overview of the risk management framework and system of internal controls of the Group is disclosed in the Annual Report 2023.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application :	Not Adopted
Explanation on adoption of the practice :	

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group has established an internal audit department which reports directly to the Audit Committee.</p> <p>The primary function of the internal audit department is to assist the Audit Committee in discharging its duties and responsibilities. Their role is to provide the Audit Committee independent and objective reports on the adequacy and effectiveness of the system of internal controls of the Group and extent of compliance with the Group's policies and procedures.</p> <p>The summary of activities carried out by the Internal Audit Department during the financial year ended 30 June 2023 is set out in the Audit Committee Report of the Company's Annual Report 2023.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The internal audit department comprises two personnel. Mr Kheu Chao Leng who qualified as a Chartered Certified Accountant in the United Kingdom, headed the department until his retirement. The internal audit department is currently headed by Mr Pang Kean Fei, a member of the Association of Chartered Certified Accountants and Institute of Internal Auditor Malaysia. He is also a Certified Internal Auditor.</p> <p>The internal audit team, which reports directly to the Audit Committee, is are not related to any of the directors or major shareholders of the Company. The team has no business dealings with the Group. All of the members of the internal audit team are free from any relationships and conflict of interest that may impair objectivity and independence in carrying out their duties.</p> <p>During the financial year ended 30 June 2023, the internal audit department carried out its audit duties based on its established internal audit framework that covered business audit, system audit, operational and financial audits and reported the findings to the Audit Committee. The Audit Committee together with the internal auditors, Executive Directors and Management reviewed the quarterly unaudited financial results and year-end audited financial statements and reported its assessment to the Board of Directors prior to release to Bursa Malaysia Securities Berhad.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	The Board subscribes to the corporate disclosure framework under the Main Market Listing Requirements. The Group has established its website www.malton.com.my which provides the shareholders and public access to information in relation to property launches, corporate matters, announcements and financial reports released to Bursa Malaysia Securities Berhad, analysts' reports and other investors' relations matters. The Board values and encourages communications with the shareholders and other stakeholders for them to establish better understanding of the Group's objectives and performance. Annual General Meetings are appropriate forums for shareholders to participate in questions and answer sessions with Directors and Management.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
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.

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
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 13.1

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Notice of the 28 th Annual General Meeting of Malton Berhad is dated 31 October 2023 for the meeting to be held on 22 November 2023. The Board is of the opinion that, the notice period which complies with the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, provides sufficient time for the shareholders to make the necessary arrangements to attend the meeting.	
		The Board takes cognizance of Practice 13.1 and will consider the recommendation for future annual general meetings.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 13.2

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	:	All of the directors attended the 27 th Annual General Meeting of Malton Berhad held on 23 November 2022. The Company's external auditors were also available to respond to questions addressed to them.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
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.

Application	:	Applied	
Explanation on application of the practice	:	The Constitution of the Company provides that the Company may convene general meetings at more than one venue using any technology or method that enables the shareholders of the Company to participate and exercise their rights to speak and vote at the meeting.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
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 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: The 27 th Annual General Meeting of the Company held on 23 November 2022 (27 th AGM) was conducted on a fully virtual basis through live streaming and online remote voting by using Remote Participation and Voting ("RPV") facilities via www.swsb.com.my hosted by ShareWorks Sdn Bhd. The Chairman of the 27 th AGM ensured that sufficient opportunities were given to shareholders to raise questions relating to the business of the meeting by providing ample time for the questions and answers session during the 27 th AGM. The Directors had actively responded to the relevant questions addressed to them. The representatives from external auditors were also present at the broadcast venue to respond to queries raised by shareholders.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
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 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application :	Applied
Explanation on application of the practice :	<p>The 27th Annual General Meeting of the Company held on 23 November 2022 (27th AGM) was conducted via fully virtual basis through live streaming and online remote voting by using Remote Participation and Voting (“RPV”) facilities via www.swsb.com.my hosted by ShareWorks Sdn Bhd. Shareholders, proxies or representatives, through the RPV facilities were able to participate in the 27th AGM and exercised their rights including posing questions in the form of real-time submission of typed texts to the Board of Directors the Company and vote remotely at the 27th AGM.</p> <p>The RPV facilities allow the shareholders or proxies or representatives to participate in the 27th AGM using smartphones, tablets or computers and view the live webcast of the meeting.</p> <p>The Board takes note of the recommendation of the MCCG to make visible questions posed by shareholders to all meeting participants during the meeting.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
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 13.6

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>	
Application	: Applied
Explanation on application of the practice	: The minutes of the forthcoming 28 th Annual General Meeting will be posted on Malton’s website at www.malton.com.my no later than 30 business days after the meeting which will be held on 22 November 2023.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

**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.

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