

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7212
COMPANY NAME : DESTINI BERHAD
FINANCIAL YEAR : December 31, 2022

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board sets out the strategic directions and objectives, formulating the policies and executing the key strategic action plans of the Group. The Board regularly reviews the Group's business operations, management performance and also ensure the necessary resources are in place.</p> <p>In the Group, the Board, and the Senior Management work cohesively to formulate and to implement the Group's business strategy. The respective roles and responsibilities of the Board and management team are clearly set out and understood to ensure accountability and ownership by both parties. The Board is responsible for the oversight and overall management of the Group including assessing and agreeing with the Group's corporate objectives, and the goals and targets to be met by management.</p> <p>The management, including the Chairman and Executive Directors of Destini, is responsible for managing the day-to-day running of the business activities in accordance with the direction and delegation of the Board. The management meets regularly to discuss and resolve operational issues. The Chief Executive Officer or Executive Directors briefs the Board on business performance and operations as well as the management initiatives during quarterly Board's meetings.</p> <p>The Board understands the principal risks of all aspects of the business that the Group is engaged in and recognises that business decisions require the incurrence of risk. To achieve a proper balance between risks incurred and potential returns to shareholders, the Board ensures that there are systems in place that effectively monitor and manage these risks view of the long-term viability of the Group. The roles and responsibilities of the Board are clearly defined in the Board Charter, which is available on the Company's website.</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 1.2

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 Board is chaired by an Executive Chairman, namely Dato’ Rozabil @ Rozamujib Bin Abdul Rahman until 27 February 2023 who had resigned as Executive Chairman. Subsequent to the resignation of Dato’ Rozabil @ Rozamujib Bin Abdul Rahman, Abdul Rahman bin Mohamed Rejab was re-designated as an Executive Chairman of the Company from his post as Executive Director with effect from 1 March 2023.</p> <p>The Executive Chairman, is primarily responsible for the vision and strategic planning of the Group and to provide leadership and ensure effective conduct of the Board. He ensures the adequacy and effectiveness of the Board’s governance process and acts as a facilitator at Board meetings to ensure all Directors participate and deliberated at all Board meetings and that no Board member dominates discussion.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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 Board is chaired by an Executive Chairman, namely Dato' Rozabil @ Rozamujib Bin Abdul Rahman until 27 February 2023 who had resigned as Executive Chairman. Subsequent to the resignation of Dato' Rozabil @ Rozamujib Bin Abdul Rahman, Abdul Rahman bin Mohamed Rejab was re-designated as an Executive Chairman of the Company from his post as Executive Director with effect from 1 March 2023.</p> <p>From 1 March 2023, the Executive Chairman, is primarily responsible for the vision and strategic planning of the Group and to provide leadership and ensure effective conduct of the Board. He ensures the adequacy and effectiveness of the Board's governance process and acts as a facilitator at Board meetings to ensure all Directors participate and deliberated at all Board meetings and that no Board member dominates discussion.</p> <p>Dato' Mohd Zahir Bin Zahur Hussain holds the role of Managing Director and Group Chief Executive Officer since 1 March 2023. He implements the Group's strategies, policies and decision adopted by the Board. He has extensive and experience in the businesses of the Group and has shown great commitment and exercised due care in managing the operations of the Group's businesses in the best interest of the shareholders.</p> <p>The roles of the Executive Chairman and the Group Chief Executive Officer are clearly defined and segregated, to ensure appropriate balance of power and authority, increased accountability and enhanced capacity of the Board for independent decision-making. The Board believes that for its current size, it is more expedient for the two roles to be held by the different person there are pertinent checks and balance to ensure no one person in the Board has unfettered powers to make major decisions for the Company unilaterally.</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	:	<p>The Board is chaired by an Executive Chairman, namely Dato' Rozabil @ Rozamujib Bin Abdul Rahman until 27 February 2023 who had resigned as Executive Chairman. Subsequent to the resignation of Dato' Rozabil @ Rozamujib Bin Abdul Rahman, Abdul Rahman bin Mohamed Rejab was re-designated as an Executive Chairman of the Company from his post as Executive Director with effect from 1 March 2023.</p> <p>Thereafter, Abdul Rahman bin Mohamed Rejab takes over the chairmanship since 1 March 2023 as Executive Chairman. He is not a member of the Audit Committee and Nomination and Remuneration Committee ("NRC").</p> <p>The Company exhibits high level of corporate governance by putting emphasis and promoting objective review by the Board on deliberations emanating from the committees.</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 1.5

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 Company is supported by two (2) suitably qualified and competent Company Secretaries. Both Company Secretaries are qualified Chartered Secretaries under Section 235(2)(a) of the Companies Act, 2016 and the Company Secretaries are external company secretaries from Boardroom.com Sdn Bhd with vast knowledge and experience from being in public practice and is supported by a dedicated team of company secretarial personnel.</p> <p>The Company Secretaries support the Board and the relevant Board Committees to ensure their effective functioning in accordance with their terms of reference and best practices, and in managing the corporate governance framework of the Company. The Company Secretaries also advise the Directors on their fiduciary and statutory duties, as well as compliances with company law, the Main Market Listing Requirements, the Company's Constitution, the Malaysian Code on Corporate Governance 2021 ("MCCG"), Board adopted policies, and other pertinent regulations governing the Company, including guiding the Board towards the necessary compliances.</p> <p>The Company Secretary who attends all Board and Board Committee meetings and ensures that meetings are properly convened, and that accurate and proper record of the proceedings and resolutions passed are taken and maintained accordingly.</p> <p>The Company Secretaries had attended the necessary training programmes, conferences, seminars and/or forums organised by the Companies Commission of Malaysia ("CCM"), Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"), the Securities Commission Malaysia ("SC") and Bursa Malaysia Securities Berhad ("Bursa Securities") as well as in house training so as to keep themselves abreast with the latest changes in laws and regulatory requirements that are relevant to their profession and to provide the necessary advisory role to the Board.</p> <p>The roles and responsibilities of the Company Secretaries are set out in the Company's Board Charter, which is available on the Company's website.</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	:	<p>The Board meets at least quarterly with additional meetings convened as and when necessary. The Board, Board Committees, and general meetings for the year under review were scheduled in advance to facilitate the Directors in planning ahead and incorporating the said meetings into their respective schedules.</p> <p>The Notice of the Board and Board Committees meetings are sent to the Directors via email at least seven (7) days prior to the respective meeting. The agenda and Board papers encompassing comprehensive qualitative and quantitative information which include objectives, background, critical issues, implications, risks, strategic fit, recommendations, and other pertinent information are circulated to the Directors to enable an informed decision making by the Board.</p> <p>The Board papers are circulated to all Directors prior to each Board meeting. This enables the Directors to have sufficient time to peruse the Board papers and seek clarifications or further details from the Management or the Company Secretary before each meeting. Any Director may request matters to be included in the agenda. Urgent papers may be presented and tabled at meetings under the item "Any Other Business", subject to the approval of both the Chairman and Group Chief Executive Officer.</p> <p>Presentations and briefings by the Management and relevant external consultants, where applicable, are also held at Board meetings to advise the Board. In this regard, relevant information is furnished, and clarifications are given to assist the Board in decision making.</p> <p>It is provided in the Guidelines on Submission of Board Memoranda that the deadline for submission of meeting materials is at least seven (7) working days prior to the dates of meetings. This is to ensure that the Directors have sufficient preparation time and information to make an informed decision at each Board meeting.</p> <p>The Board will normally hold meetings at least four (4) times in each financial year to consider:</p> <ul style="list-style-type: none">i. relevant operational reports from the management;ii. reports on the financial performance;

	<ul style="list-style-type: none"> iii. specific proposals for capital expenditure and acquisitions, if any; iv. major issues and opportunities for the Company, if any; and v. quarterly financial statements for announcement to authorities. <p>In addition, the Board will, at intervals of not more than one (1) year:</p> <ul style="list-style-type: none"> i. approve annual financial statements, and other reports to shareholders; ii. consider and, if appropriate, declare or recommend the payment of dividends; iii. review the Board composition, structure, and succession plan. iv. review the Company's audit requirements. v. review the performance of, and composition of Board committees. vi. undertake Board and individual Board member evaluations. vii. review Board remuneration; and viii. review risk assessment policies and controls and compliance with legal and regulatory requirements. <p>All proceedings of Board and Board Committees meetings are duly recorded in a minute of each meeting and the signed minutes of each meeting are properly kept by the Company Secretary. Minutes of the meetings are tabled for confirmation at the next meeting whilst the minutes of the Board Committees are presented to the Board for notation.</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 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>As part of governance process, the Board has formalised and adopted the Board Charter. This Board Charter sets out the composition and balance, roles and responsibilities, operation, and processes of the Board and to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members. The Board will review the Board Charter and make any changes whenever necessary.</p> <p>The Board Charter is reviewed as and when the need arises to ensure that the dynamic needs of the Group are consistently met. The details of the Board Charter are available for reference at the Company’s website.</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>Destini has in place a Code of Conduct and Ethics ("Code") that includes the policies for managing corporate governance, relationship with shareholders, employees, creditors and customers and social responsibilities and the Environment. The Code applies to all Directors and employees of the Destini Group and formulated to enhance the standard of corporate governance and corporate behaviour with the intention of achieving the following aims:</p> <ul style="list-style-type: none">• To establish a standard of ethical behaviour for directors based on trustworthiness and values that can be accepted, are held, or upheld by any one person; and• To uphold the spirit of responsibility and social responsibility in line with the legislation, regulations, and guidelines for administrating a company. <p>The Code serves as a documentation of the Directors and employees' commitment to do business in a manner that is efficient, ethical, and fair, and is meant to be a reference point for all Directors and all levels of employees as well as parties that engage with business dealings with the Group. The Code is periodically reviewed by the AC and Board.</p> <p>The Code of Conduct and Ethics is available on Company's website.</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	:		
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Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied
Explanation on application of the practice	:	<p>Destini Berhad has adopted the Whistleblowing Policy ("Policy") which provides an avenue for employees and members of the public to disclose any improper conduct committed or about to be committed in accordance with the procedures as provided under the policy. The Policy is accessible to the public for reference on the Company's official website.</p> <p>This policy provides assurance that the whistle-blower, if an employee of the Company, shall be protected against reprisals or retaliation, and immunity from disciplinary action from the whistle-blower's immediate supervisor or department/division head or any other person exercising power or authority over the whistle-blower in his/her employment, provided that:</p> <ul style="list-style-type: none">• only genuine concerns are reported, and the report is made in good faith with a reasonable belief that the information and any allegation in it are substantially true, and the whistle-blower does not provide false or misleading information knowingly, negligently or recklessly in the report;• the disclosure is not made with malicious intent or ill will;• the disclosure is not frivolous or vexatious; and• the report is not made for personal gain or agenda. <p>We trust that every whistle-blower must conduct themselves with high integrity and responsibility. To establish a sound relationship of trust, individuals who make disclosures are encouraged to identify themselves and their contact (phone number/email). This is especially so when more detail information is required. Whenever necessary, the whistle-blower may be required to stand as a witness for the Company for the appropriate disciplinary action to be effective.</p> <p>All information received will be treated with strictest confidentiality.</p> <p>The Whistleblowing policy is available on Company's website.</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 Board, together with the Group's management acknowledge the importance of sustainability and are responsible for the development and implementation of sustainability initiatives taken by the Group.</p> <p>One of the principal responsibilities of the Board is to review and adopt strategic plan for the Group to ensure that the Board supports long-term value creation and take into account economic, environmental, social as well as governance considerations which underpinning sustainability.</p> <p>The responsibilities of identifying and managing risks are delegated to the respective management team led by the Executive Director. The Board and the Risk Management Committee are responsible to review the effectiveness of the processes. Any material risk identified will be discussed and appropriate actions or controls will be implemented. This is to ensure the risk is properly monitored and managed to an acceptable level.</p> <p>The Risk Management Committee will assist the Board in overseeing the risk management framework of the Group and reviewing the risk management policies formulated by management and to make relevant recommendations to the Board for approval.</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 4.2

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 Group is in constant communication with both internal and external stakeholders on its sustainability strategies. Details pertaining to these engagements are available in Destini’s 2022 Annual Report.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

The 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	:	The Board is aware and understands the sustainability issues relevant to the Group's businesses which include renewable energy. Destini's foray into renewable energy in 2022 marks its stride into clean technology which will assist in climate change.	
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	:	Applied	
Explanation on application of the practice	:	Performance evaluations of the Board and Senior Management in their respective roles in addressing material sustainability risks and opportunities will be applied in 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

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 NRC annually assesses the experience, the tenure, and diversity required collectively for the Board and ensures that it is periodically refreshed so that it can discharge its duties effectively.</p> <p>The NRC annually reviews the performance of all directors including those seeking re-election based on competency, preparedness, and independence (for independent directors). Only those with satisfactory evaluation are recommended to the Board for re-election.</p> <p>To ensure the appointment and re-election of Director meets the necessary criteria, the Company has established the Directors’ Fit and Proper Policy. This policy outlines the approach and standards for the appointment and re-election of Director of the Company and guides the NRC and the Board in their evaluation and assessment of Board candidates and Directors eligible for re-election. This ensures that they possess the required character, experience, integrity, competence, and time to effectively carry out their duties as director.</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	:	<p>The current Board consists of five (5) members, which comprises of one (1) Executive Chairman, one (1) Managing Director, two (2) Non-Independent & Non-Executive Directors and one (1) Independent & Non-Executive Director. As a result of the non-compliance with Paragraph 15.02 of the Listing Requirements, the Company must fill the vacancy within 3 months from 1 March 2023.</p> <table border="1"><thead><tr><th>Designation</th><th>Number of Directors</th><th>Percentage</th></tr></thead><tbody><tr><td>Executive Director</td><td>1</td><td>20.00</td></tr><tr><td>Managing Director</td><td>1</td><td>20.00</td></tr><tr><td>INED</td><td>1</td><td>20.00</td></tr><tr><td>Non-Independent & Non-Executive Directors</td><td>2</td><td>40.00</td></tr><tr><td>Total</td><td>5</td><td>100.00</td></tr></tbody></table> <p>The current composition of the Board provides an effective Board with a mix of industry specific knowledge, broad based business and commercial experience together with independent judgement on matters of strategy, operations, resources and business conduct.</p> <p>The Board takes cognisance that the current composition of the Board is not aligned with the desired practice of at least half of the board comprises independent directors and are diligently identifying the right candidates based on the criteria as set out by NRC.</p>		Designation	Number of Directors	Percentage	Executive Director	1	20.00	Managing Director	1	20.00	INED	1	20.00	Non-Independent & Non-Executive Directors	2	40.00	Total	5	100.00
Designation	Number of Directors	Percentage																			
Executive Director	1	20.00																			
Managing Director	1	20.00																			
INED	1	20.00																			
Non-Independent & Non-Executive Directors	2	40.00																			
Total	5	100.00																			
<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 5.3

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	:	Applied	
Explanation on application of the practice	:	No independent director(s) serving beyond nine (9) years	
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 5.4 - 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 is committed to maintaining an environment of respect for people regardless of their gender in all business dealings and achieving a workplace environment free of harassment and discrimination on the basis of gender, physical or mental state, ethnicity, nationality, religion, age or family status. The same principle is applied to the selection of potential candidates for appointment to the Board.</p> <p>The strategic intent of the Company's Board Diversity is to attract, retain and develop a diverse team of skilled people who are increasingly engaged towards the delivery of the Company's strategies. This revolves around the following initiatives:</p> <ul style="list-style-type: none">• Identifying and balancing the different skills and industry experiences, backgrounds and gender of Directors;• Retaining Directors based on merit, in the context of skills, time commitment and experiences; and• Providing a safe and healthy environment for the views of Board members to be heard, their concerns attended to and where, bias, discrimination and harassment on any matter are not tolerated. <p>The Board acknowledges the importance of promoting gender diversity, the normal selection criteria based on an effective blend of competencies, skills, extensive experience, and knowledge to strengthen the Board should remain a priority. Thus, the Company does not set any specific target for female directors in the Gender Diversity Policy and will actively work towards having more female directors on the Board.</p> <p>Selection of candidates will be based on a range of diverse perspectives, including but not limited to professional experiences, business experiences, skills, knowledge, gender, age, ethnicity, and educational background.</p> <p>The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Board's composition (including gender, ethnicity, and age) will be disclosed in the Company's Annual Report.</p>

	<p>The existing Directors' age distribution falls within the respective age group and are as follows:</p> <table border="1"> <tr> <th>Age Group</th><th>31-40</th><th>41-50</th><th>51-60</th><th>61 & above</th></tr> <tr> <th>Number of Directors</th><td>0</td><td>2</td><td>3</td><td>0</td></tr> </table> <p>The current diversity in the race/ethnicity and nationality of the existing Directors are as follows:</p> <table border="1"> <tr> <th rowspan="3">Number of Directors</th><th colspan="4">Race/Ethnicity</th><th colspan="2">Nationality</th></tr> <tr> <th>Malay</th><th>Chinese</th><th>Indian</th><th>Others</th><th>Malaysian</th><th>Foreign</th></tr> <tr> <td>5</td><td>0</td><td>0</td><td>0</td><td>5</td><td>0</td></tr> </table>							Age Group	31-40	41-50	51-60	61 & above	Number of Directors	0	2	3	0	Number of Directors	Race/Ethnicity				Nationality		Malay	Chinese	Indian	Others	Malaysian	Foreign	5	0	0	0	5	0
Age Group	31-40	41-50	51-60	61 & above																																
Number of Directors	0	2	3	0																																
Number of Directors	Race/Ethnicity				Nationality																															
	Malay	Chinese	Indian	Others	Malaysian	Foreign																														
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Explanation : for departure																																				
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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	:	<p>The Board uses a variety of sources for the identification of suitable candidates. The NRC reviews the composition, skill sets and Board requirements every year as part of the Board assessment. The Board may rely on recommendations from existing board members and other sources to meet the skill sets and requirements of the Board.</p> <p>The Board is open to utilizing independent sources as well. The Board will use a myriad of resources to source candidates based on recommendations and independent sources.</p> <p>However, all appointments of new Directors will be subjected to screening and appropriate recommendation of the NRC prior to consideration and approval of the Board.</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 5.7

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	:	<p>The profiles of Directors are published in the Annual Report and on Company's website. These include their age, gender, tenure of service, directorships in other companies, working experience and any conflict of interest as well as their shareholdings in the Company, if any.</p> <p>Abdul Rahman Bin Mohamed Rejab is retiring as Director of the Company pursuant to Clause 115(1) of the Company's Constitution whereas Dr. Nurwahida Binti Mohd Yaakub retiring as Director of the Company pursuant to Clause 125 at forthcoming 19th AGM.</p> <p>The Board upon due deliberation, resolved to approve the proposed re-election of Abdul Rahman Bin Mohamed Rejab and Dr. Nurwahida Binti Mohd Yaakub at the 19th AGM of the Company, as recommended by the NRC.</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 5.8

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	:	<p>The NRC was chaired by Dato' Mohd Zahir Bin Zahur Hussain, an Independent Non-Executive Director. However, on 1 March 2023, he was re-designated as Managing Director and Group Chief Executive Officer, which resulted in him ceasing to be the Chairman of NRC.</p> <p>The Company is required to fill the vacancy within 3 months, i.e., before 1 June 2023.</p> <p>Alternatively, the Company has re-designated Dr Nurwahida as Chairperson of NRC starting 20 April 2023.</p> <p>In the meantime, the Company will continue to seek suitably qualified candidate(s) to be appointed as Independent Non- Executive Director(s) of the Company and to fill up the vacancy of the member of NRC.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Company is actively seeking for the suitable qualified candidate(s) of Independent Non-Executive Director(s) and to fill up the vacancy of the member of NRC.
Timeframe	:	Others

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has adopted a Board Diversity Policy on 19 June 2020 which provides a framework for the Company to improve its gender diversity at Board level. The Board Diversity Policy mentioned in the Board Charter and is available on the Company's website.</p> <p>The Company acknowledges the importance to promote gender diversity at Board level and will actively work towards having more female Directors on the Board. However, to avoid any mismatch and ineffective appointment of the female Directors, the Company does not set any specific target for female Directors in this Policy.</p> <p>Currently, our Board members comprise of two (2) female directors.</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 5.10

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 Company has adopted a Board Diversity Policy on 19 June 2020 which provides a framework for the Company to improve its gender diversity at Board level. The Board Diversity Policy mentioned in the Board Charter and is available on the Company's website.</p> <p>The NRC will evaluate, assess, and recommend the right candidate to the Board based on the candidates' competency, skills, character, time commitment, knowledge, experience, and other qualities in meeting the needs of the Group. Equal opportunity is given, and the Board does not practise discrimination of any form, whether based on age, gender, race, and religion throughout the organisation. Nevertheless, the Board will evaluate and match the criteria of the potential candidate as well as considering the boardroom diversity for any new proposed appointment of directors.</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	: The Board (via the NRC) evaluates the effectiveness of the Board as a whole, all Board committees of and the contribution of each individual Director. This evaluation, which is done annually, is facilitated by the Company Secretaries and conducted using evaluation forms covering the following key areas of composition, administration and process, accountability and responsibility, Board conduct, communication and relationship with Management, performance as well as the application of good governance principles to create sustainable shareholder's value. Completed evaluation forms and the results of the evaluations are collated into a report and deliberated on by the NRC and subsequently by the Board and key issues arising thereon if are identified for further action by the Management. Based on the evaluation carried out for the financial year ended 31 December 2022, the NRC has informed the Board that it was satisfied with the effectiveness of the Board and Board committees and the contribution and performance of each individual Director.
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 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 remuneration policy for Directors is reviewed by the NRC prior to making its recommendations to the Board for approval. Factors such as the Directors duties and responsibilities as directors and members of Committees, time commitment and other matters are considered. The level of remuneration reflects the experience, expertise and level of responsibilities undertaken by the Non-Executive Director concerned. Regular benchmarks are undertaken for Directors fees. Our remuneration strategy and practices for Senior Management ensures business complexities and individual responsibilities are aligned with business strategy and long-term objectives.</p> <p>The Terms of Reference of the NRC is available on Company's website.</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	:	<p>The NRC was established with clearly defined terms of reference, to assist the Board in the adoption of fair remuneration practices to attract, retain and motivate Directors and senior management.</p> <p>Amongst the NRC's functions and duties outlined in its TOR are:</p> <ol style="list-style-type: none">I. The Committee shall review and recommend to the Board the framework of remuneration of the Executive Directors and Principal Officers, taking into account the performance of the individual, the inflation price index and information from independent sources on the rates of salary for similar jobs in selected group of comparable companies;II. The Committee shall review and determine the annual salary increment, performance bonus, and short term/long term incentives (including share grant and bonus) for Executive Directors and Principal Officers depending on various performance measurements of the Group;III. The Committee shall review and determine the other benefits in kind for the Executive Directors and Principal Officers; andIV. The Committee shall review the Group's compensation policy and ensure alignment of compensation to corporate performance, and compensation offered in line with market practice. <p>Their authority and duties as well as functions are clearly defined in the terms of reference for the NRC which available on Company's website.</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 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	:	<p>The Company has disclosed in detail, on a named basis, the remuneration of its individual directors which includes fees, salary, emoluments, and benefits.</p> <p>The remuneration tables can be found at the Company's CG Overview Statement of the Company's Annual Report 2022.</p>

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Abdul Rahman Bin Mohamed Rejab (re-designated as Executive Chairman on 1 March 2023)	Executive Director	-	-	240	-	-	-	240	-	-	240	-	-	-	240
2	Dato' Mohd Zahir Bin Zahur Hussain (re-designated MD and GCEO on 1 March 2023)	Executive Director	30	-	8.5	-	-	-	38.5	-	-	30	-	-	-	38.5
3	Professor Datin Dr Suzana Binti Sulaiman @ Mohd Suleiman	Non-Executive Non-Independent Director	30	-	11.5	-	-	-	41.5	30	-	11.5	-	-	-	41.5
4	Dr Nurwahida Binti Mohd Yaakub (Appointed on 20 October 2022)	Independent Director	5	-	1.5	-	-	-	6.5	5	-	1.5	-	-	-	6.5
5	Dato' Rozabil @ Rozamujib Bin Abdul Rahman (Resigned on 27 February 2023)	Executive Director	-	-	960	-	-	-	960	-	-	960	-	-	-	960
6	Syaiful Hafiz Bin Moamat Mastam (Resigned on 31 March 2023)	Non-Executive Non-Independent Director	30	-	5	-	-	-	35	30	-	5	-	-	-	35
7	Norzilah Binti Mohamed	Executive Director	-	-	209.286	-	-	-	209.286	-	-	209.286	-	-	-	209.286

	(Resigned on 15 February 2023)															
8	Dato' Sulaiman Che Bin Shapie (Resigned on 14 October 2022)	Non-Executive Non-Independent Director	60	-	7.5	-	-	-	67.5	60	-	7.5	-	-	-	67.5
9	Ismail Mustaffa (Resigned February 2022)	Executive Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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	:	<p>The Company opts not to disclose the components of the remuneration of Senior Management, which include their salary, bonus, benefits in-kind and other emoluments by virtue that the information is subject to the Personal Data Protection Act, 2010, that requires written consent from the respective Senior Management personnel for disclosure of their personal data to the public at large.</p> <p>As an alternative, the Company disclosed the aggregate remuneration paid to the Senior Management of the Group during the financial year ended 2022 analysed into bands of RM50,000 are as follows:</p> <table><tr><th>Range of Remuneration</th><th>Number of Senior Management</th></tr><tr><td>RM100,001 to RM150,000</td><td>3</td></tr><tr><td>RM150,001 to RM200,000</td><td>5</td></tr><tr><td>RM200,001 to RM250,000</td><td>1</td></tr><tr><td>RM250,001 to RM300,000</td><td>-</td></tr><tr><td>RM300,001 to RM350,000</td><td>2</td></tr><tr><td>RM350,001 to RM400,000</td><td>-</td></tr><tr><td>RM400,001 to RM450,000</td><td>1</td></tr></table> <p>The Company always benchmarks the remuneration package of the Senior Management with the industry and ensures that the Senior Management are paid a remuneration commensurate with their responsibilities of their positions and performance of the individual and the Group.</p>	Range of Remuneration	Number of Senior Management	RM100,001 to RM150,000	3	RM150,001 to RM200,000	5	RM200,001 to RM250,000	1	RM250,001 to RM300,000	-	RM300,001 to RM350,000	2	RM350,001 to RM400,000	-	RM400,001 to RM450,000	1
Range of Remuneration	Number of Senior Management																	
RM100,001 to RM150,000	3																	
RM150,001 to RM200,000	5																	
RM200,001 to RM250,000	1																	
RM250,001 to RM300,000	-																	
RM300,001 to RM350,000	2																	
RM350,001 to RM400,000	-																	
RM400,001 to RM450,000	1																	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>																		
Measure	:	The Company will closely monitor the developments in the market in respect of such disclosure for future considerations.																

Timeframe	:	Others	
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No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Applied	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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The positions of the Chairman of the Board and Audit Committee ("AC") are held by separate individuals.</p> <p>Professor Datin Dr Suzana Binti Sulaiman @ Mohd Suleiman, an Independent & Non-Executive Director was the AC Chairperson until 20 October 2022 before she re-designated to Non-Independent & Non-Executive Director and ceased as Chairperson of AC and later succeeded by Dato' Mohd Zahir Bin Zahur Hussain, who was an Independent Non-Executive Director re-designated from a member of AC to chairman of AC with effect from 20 October 2022.</p> <p>Subsequent to the re-designation of Dato' Mohd Zahir Bin Zahur Hussain from Independent & Non-Executive Director to Managing Director and Group Chief Executive Officer, he ceases to be Chairman of AC on 1 March 2023.</p> <p>The Company is required to fill the vacancy within 3 months, i.e., before 1 June 2023.</p>
<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	:	Currently, none of the members of the Board are former key audit partners of the Company. The Terms of Reference of the AC provides that any former key audit partner is to observe a cooling-off period of at least three years before being appointed as a member of the AC.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied	
Explanation on application of the practice	:	<p>The AC is responsible for assessing the capabilities and independence of the external auditor and to make subsequent recommendations to the Board on the appointment, re-appointment or termination of the external auditor.</p> <p>Under its Terms of Reference, the AC reviews the suitability and independence of the external auditor of the Company. The review process covers the assessment of the independence of the external auditor, the evaluation of their performance, quality of work, audit fees and the adequacy resources.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - 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 AC possess a mix of skills, knowledge, and experience to enable them to discharge their duties and responsibilities pursuant to the AC’s terms of reference. An annual self and peer evaluation of the AC is carried out and reviewed by the NRC.</p> <p>The members do attend training programmes to keep abreast of relevant industry issues, market development and trends including accounting and auditing standards to enable them to sustain their active participation in the functions of the AC.</p> <p>The list of training attended by the director of the company is specified in the 2022 Annual Report.</p> <p>All AC will continue to attend at least one training which is relevant to accounting and auditing standards, practices, and rules in enhancing their professional development.</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 Company has a risk management framework and internal control systems in place to ensure the smooth running of the business with the aim to manage the risks and control of the Company’s business and financial affairs economically, efficiently, and effectively to be able to seize profitable business opportunities in a disciplined way while avoiding or mitigating risks that could cause loss, reputational damage, or business failure.</p> <p>Further information on risk management framework and internal control are disclosed in the Statement of Risk Management and Internal Control of 2022 Annual Report.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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 Board has an established ongoing process for identifying, evaluating and managing the significant risks encountered by the Company in accordance to the Guidance for Directors of Public Listed Companies on Statement on Risk Management and Internal Control. Risk management is an integral part of the business operations, and this process goes through a review process by the Board. Discussions have been conducted during the year involving different levels of managements to identify and address risks faced by the Group. These risks were summarised and included in the Group's risk management report. The Group has an ongoing process for identifying, evaluating, and managing the significant risks faced by the Group throughout the financial year under review and up to the date of approval of this statement for inclusion in the Annual Report by the Management. This is to ensure that all high risks are adequately addressed at various levels within the Group.</p> <p>The features of the Company's Risk Management and Internal Control Frameworks and its adequacy and effectiveness are disclosed under the Statement on Risk Management and Internal Control in the 2022 Annual 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

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	:	The Company has an in-house Group Internal Audit Department ("GIAD"). The GIAD undertakes a systematic and disciplined approach in evaluating and improving the effectiveness of governance, risk management and control processes within the Group and its key function is to assist the Group in accomplishing its goals. Internal audit functions and its effectiveness are disclosed in the 2022 Annual Report.	
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 GIAD reports functionally to the AC. The number of resources and qualification of the person responsible for internal audit are disclosed in the AC report section of the Annual Report 2022.</p> <p>The work of the GIAD is in line with an established Internal Audit Charter and in accordance with the Standards for the Professional Practice of Internal Auditing Framework.</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	:	<p>The Group values dialogue and recognises the need to communicate with its investors, thus encouraging constructive two-way communication. The Group uses several channels to appropriately inform its investors of major developments and of the operations of the Company through disclosures and announcements made to Bursa Securities, press releases, annual reports and the Board also has the option to arrange meetings with analysts or investors, if necessary.</p> <p>The practice of disclosure of information is to adopt the best practices recommended in the MCCG with regard to strengthening engagement and communication with shareholders, it is not only established just to comply with the Listing Requirements of Bursa Securities.</p> <p>The Company also endeavour to provide additional disclosures of information on a voluntary basis, where necessary. The management believes that consistently maintaining a high level of disclosure and extensive communication is vital to shareholders and investors in making informed investment decisions. The Company strive to provide a high level of transparency reporting in order to provide value for users.</p> <p>Beside the above, the Company's Annual Report, circulars and financial results are dispatched on an annual basis to the shareholders to provide an overview of the Group's business activities and performances. The Share Registrar is available to attend to administrative matters relating to shareholder interests.</p> <p>The Company's website at www.destinigroup.com incorporates an Investor Relations section which provides all relevant information on the Company accessible to the public. This section enhances the Investor Relations function by including all announcements made by the Company and its annual reports.</p> <p>The quarterly financial results are announced via Bursa LINK after the Board's approval. This is important in ensuring equal and fair access to information by the investing public. Shareholders and investors may</p>

	<p>also forward their queries to the Company via email to info@destinigroup.com.</p> <p>In addition to the dissemination of information to shareholders and other interested parties via announcements to Bursa Securities, its website, circulars and press releases, the Board is of the view that the annual and any extraordinary general meetings as ideal opportunities to communicate with shareholders.</p> <p>During general meetings, the Chairman or the Managing Director & Group Chief Executive Officer of the Company will brief shareholders on the Company's projects and elaborate further on proposals for which the approval of shareholders is being sought.</p> <p>Whilst the Company endeavours to provide as much information as possible to its shareholders, it is also mindful of the legal and regulatory framework governing the release of material and price-sensitive information.</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 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Applied	
Explanation on application of the practice	:		
Explanation for departure	:	Not applicable – Not a Large Company	
<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	:	Applied
Explanation on application of the practice	:	<p>The Board encourages the participation of shareholders at the general meeting and has been sending notice of Annual General Meeting ("AGM") earlier (at least 28 days) than the noticed period stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and will try to continue sending AGM notice earlier as and when possible.</p> <p>The notice of AGM for 18th AGM of the Company held on 21 June 2022 was issued on 29 April 2022, which represents a notice period of 28 clear days.</p> <p>The 19th AGM of the Company will be held on 20 June 2023, the Company issued the notice on 28 April 2023, which represents a notice period of 28 clear days.</p> <p>The Notice of 19th AGM outlines the resolutions to be tabled in the 19th AGM together with explanatory notes and background information on enable the shareholders to make informed decisions in exercising their voting rights.</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 13.2

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	:	<p>All the Directors of the Company except for Puan Norzilah Binti Mohammed attended the Company's 18th Annual General Meeting held on 21 June 2022.</p> <p>Barring unforeseen circumstances, all Directors shall be attending the forthcoming 19th AGM to address shareholders' queries at the meeting.</p> <p>The Chairman ensured that sufficient opportunities were given to shareholders to raise questions and issues relating to the affairs of the Company and that adequate responses were given.</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 13.3

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	:	<p>The AGM of the Company have always been held in accessible locations within the Klang Valley. In 2022, the Company had leveraged on technology to facilitate remote shareholders' participation and online remote voting as part of the precautionary measures amid COVID-19 pandemic to support the Government's advice of not having mass gatherings to combat the spread of the virus.</p> <p>The Company held its 18th AGM on a fully virtual basis through live streaming and online remote participation via Remote Participation and Voting ("RPV") Facilities from the online meeting platform at https://web.vote2u.my (Domain Registration Numbers with MYNIC D6A471702) provided by Agmo Digital Solutions Sdn Bhd. The RPV enabled remote shareholders' participation via real time submission of typed texts and online remote voting.</p> <p>The conduct of meeting by way of fully virtual also strongly encouraged by the Securities Commission Malaysia. The virtual 18th AGM is in compliance with the Company's Constitution, Companies Act 2016 and other legal requirements.</p> <p>The Company's forthcoming 19th AGM scheduled to be held on 20 June 2023 will be held fully virtual through live streaming and RPV in accordance with the Guidance on Conduct of General Meetings by Listed Issuers by the SC in July 2021 (as amended from time to time).</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	:		
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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	:	<p>The 18th AGM was a fully virtual meeting. The Company had issued the Annual Report 2021 for 18th AGM together with administrative notes which encompassed the guidance on the conduct of the virtual meeting.</p> <p>The shareholders were allowed to submit their questions electronically through the online meeting platform at https://web.vote2u.my (Domain Registration Numbers with MYNIC D6A471702) provided by Agmo Digital Solutions Sdn Bhd. via RPV facilities during live streaming of the AGM.</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 13.5

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>In view of the COVID-19 pandemic, the Company's held its 18h AGM as a fully virtual general meeting.</p> <p>The RPV facilities provided by Tricor Investor & Issuing House Services Sdn Bhd via its TIIH Online website at https://tiih.online allowed shareholders to pose questions to the Board and Chairman of the AGM via typed text in the query box.</p> <p>At the "Questions and Answers" session in the meeting agenda, the TIIH Online platform had the facilities to live broadcast the questions/remarks and answers, and the shareholders had experienced real time interaction with the Board during the AGM.</p> <p>Questions posed by shareholders had been made visible to all meeting participants during the meeting itself via RPV facilities.</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	:	Minutes of the 18th AGM held on 21 June 2022 have been made available to shareholders no later than 30 business days after the AGM on its Company's website at https://www.destinigroup.com .
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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