

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5134
COMPANY NAME : Southern Acids (M) Berhad
FINANCIAL YEAR : March 31, 2024

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 of Directors ("the Board") of Southern Acids (M) Berhad ("SAB" or "the Company") is the governing body of the Company, whose members are elected by the Company's shareholders is responsible for demonstrating leadership, formulating strategies and policies, ensuring the objectives and activities of the management are aligned with the overall Company's objectives, while protecting the interests of shareholders and stakeholders.</p> <p>In its decision-making, the Board takes into consideration of the impact and interests of all stakeholders while ensuring the overall Company's objectives of creating long-term sustainability value are met. None of the individual Board members has unfettered power of decision.</p> <p>Setting the tone from the top, the Board instills ethical and professionalism among the employees.</p> <p>The Board is guided by its Board Charter, setting the functions in respect of the roles and responsibilities of the Board Committees ("BCs"), Chairman and Managing Director ("MD") including specifies the key matters that are specifically reserved for the Board.</p> <p>In order to assist the Board in discharging the Board with oversight functions in certain areas more effectively, two BCs have been established, namely Audit Committee ("AC") and Nomination & Remuneration Committee ("NRC"). Each BC has its own approved written terms of reference ("TOR") setting out its composition, authorities and duties. In addition, the Board has also adopted several codes, guidelines and policies for all employees of the Company and its subsidiaries.</p> <p>The Board Charter, TORs of the BCs, codes, policies and guidelines</p>

	are available in the Corporate Governance section of the Company's website at www.southernacids.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	:	

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 led by Tan Sri Datuk Seri Panglima Sulong Matjeraie ("Tan Sri Sulong"), an Independent Non-Executive Director plays a pivotal role in instilling the Company's commitment to uphold corporate governance.</p> <p>As the Chairman, Tan Sri Sulong is responsible for leading and ensuring effective conduct of the Board. In fulfilling this role, he is guided under Section 3.5.1 of the Board Charter which set out his main roles and responsibilities as follows:</p> <ol style="list-style-type: none">1. To lead the Board in establishing and monitoring good corporate governance practices in the Company;2. To lead the Board efficiently and in an effective manner;3. To ensure the efficient organisation and conduct of the Board's functions and meetings;4. To facilitate the effective contribution of all Directors at Board meetings;5. To encourage active participation and allowing dissenting views to be freely expressed;6. To promote constructive and respectful relations between Directors and between the Board and Management; and7. To ensure effective communication with shareholders and stakeholders. <p>In discharging his leadership role as Chairman, Tan Sri Sulong ensures that Board decisions taken are in the Company's best interest and reflect Board's consensus.</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

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 positions of Chairman and MD are held by different individuals namely Tan Sri Sulong as the Chairman and Dr Nick Low as the MD.</p> <p>The Chairman leads the Board in its collective oversight of management and the MD focuses on the business and day-to-day management of the Company. The division of responsibilities between the Chairman and MD is clearly articulated on the Board Charter under Section 3.5 of the Board Charter.</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 :	Departure
Explanation on application of the practice :	
Explanation for departure :	The Company is complying with the Bursa Malaysia Securities Malaysia ("Bursa Malaysia") Main Market Listing Requirements ("MMLR"), under Paragraph 15.08A (1). The Board is of the view that the NRC is able to discharge their duties and responsibilities independently, and their collectively decision will able to meet the overall Company's objectives.
<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 is supported by professionally qualified and competent Company Secretaries namely Madam Lim Kui Suang and Madam Ng Shu Ling.</p> <p>Company Secretaries advise the Board on secretarial matters which include the Company's Constitution, Board policies and procedures, as well as compliance with any applicable rules, regulations and best practices. In addition, the Company Secretaries also work closely with the management to ensure timely and appropriate information flows within and to the Board and BCs.</p> <p>As guided by the Board Charter under Section 6, the main roles and responsibilities of the Company Secretaries are as follows: -</p> <ol style="list-style-type: none">1. Advise the Board and BCs on their roles and responsibilities;2. Advise the Board and BCs on governance issues and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectation;3. Advise and continuously update the Board on corporate disclosures and compliance with listing requirements, company and securities legislations and related regulations;4. Ensure proper upkeep of statutory registers and records;5. Manage the logistics of all Board, BCs and general meeting, attend and record minutes of the meeting thereof;6. Assist the Chairman in determining the annual Board plan and the administration of other strategic issues; and7. Facilitate in the induction of new directors and assist in director training and development. <p>All Directors have full access to the advice and services of the Company Secretaries, to enhance the effective functioning of the Board and to ensure regulatory compliance.</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 company secretaries are responsible for the integrity of the board documents. Deliberations and decisions of the Board and BCs are properly recorded, which include disclosure of interest by any interested Directors and their abstention from deliberating and voting on a particular transaction. Minutes of meetings are circulated and confirmed as a correct record by the Board and Board BCs at the next meeting.</p> <p>Directors are provided with meeting materials setting out relevant information on the agenda items to be discussed at Board/BC meetings at least 5 business days in advance of the meeting to enable Directors to make sound and informed decisions.</p> <p>Exceptions may be made in certain ad-hoc or urgent instances when directors unanimously consent to a shorter notice period.</p> <p>The guidelines on the Board/Committee meeting materials and meeting minutes are stated in Section 3.7 (c) and (e) of the Board Charter.</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>The Board is guided by its Board Charter, which provides guiding principles to achieve the objectives of the Company and serves as a primary reference point for all Board members in discharging their fiduciary duties whether as an individual capacity or as a member of the BCs and management clearly sets out the main roles and responsibilities of the Board, BCs and management respectively.</p> <p>The Board Charter, which is periodically reviewed by the Board to be in line with prevailing regulatory changes, was last revised and approved by the Board in July 2024. The updated version of the Board Charter is available on the Company's website at www.southernacids.com.</p> <p>There is a formal schedule of matters reserved to the Board for its deliberation and decision to ensure the direction and control of the Company are in its hands.</p> <p>Key matters reserved for the Board include, inter-alia, approval of corporate plans and programme, annual budgets, new ventures, material acquisitions and disposal of properties and undertakings as well as changes to the management and corporate structure of the Company and its subsidiaries.</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 3.1

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 is committed to promoting good business conduct and maintaining healthy corporate culture. Being is a diversified group of companies; the Company has established several principles and policies as the guiding principle for its directors and employees.</p> <p>Code of Conduct & Ethics is one of the principles and policies, outlines the ethical principles and expected standard of conducts in conducting business and the compliance with applicable laws and regulations for all of its directors, employees and other stakeholders within the Company and its subsidiaries.</p> <p>The Code of Conduct & Ethics 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

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>The Company has in place a Whistleblower Policy which provides a channel for employees and other stakeholders to raise concerns on potential improprieties, including but not limited to suspected fraud, corruption, and unlawful or dishonest conduct.</p> <p>The implementation of the Whistleblower Policy is under responsibility of the AC. Whistleblower can report to the AC Chairman via dedicated email at sabwhistle@southernacids.com in confidence and without fear of retaliation.</p> <p>Whistleblower Policy is available on the Company’s website.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
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 oversees the management of the Company's overall sustainability matters. Sustainability matter is under the purview of the AC and supported by the Sustainability & Risk Assessment Body ("SRAB") at management level.</p> <p>SRAB is chaired by the MD with participation from heads of business unit and other key management staff, assists the Board to achieve the overall effectiveness and adequacy in the management of environmental, social and governance ("ESG") matters in accordance to the sustainability framework.</p> <p>The SRAB is responsible in overseeing the progress on delivering of the sustainability commitments and identify future sustainability-related risks and opportunities to the Company and its subsidiaries as well as to align the Company's expectation and business strategy to the sustainability focus areas.</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	:	<p>The Company’s sustainability strategies, priorities, targets and performance against these targets are developed and monitored on annual basis which are guided by regular review of the materiality assessment exercise.</p> <p>Annual engagements with stakeholders are carried out to understand and manage stakeholders' needs and expectations via different platforms in order for us to communicate to them in a transparent manner.</p> <p>For a comprehensive description of the Company’s stakeholder groups, their engagement and targets as well as performance against these objectives, please refer to the Company’s Sustainability Statement in the Company’s Annual Report 2024 (“AR 2024”).</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
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	:	<p>The Board strives to constantly build the necessary knowledge and skills as well as stay updated on the emerging ESG issues which are complex, evolving, and present a range of strategic risks and opportunities to the Company overall businesses.</p> <p>Primarily the Board will be updated and kept abreast with material sustainability matters from the AC regularly, with the supported by the SRAB.</p> <p>In addition, directors will be attending the sustainability training under Mandatory Accreditation Programme Part II by 1 August 2025 and relevant ESG trainings and seminars will be recommended to the Board to update them with the latest development in sustainability matters.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
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	:	The annual performance evaluation which includes ESG and sustainability matters on the Board and senior management are carried out by the NRC. It is facilitated internally through a formal process guided by its TOR.	
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>On an annual basis, the NRC assesses the effectiveness of the Board as a whole, BCs as well as individual Directors.</p> <p>The existing Board comprises Directors with various skills, knowledge, competence and experience to meet the needs of the Company. Accordingly, Directors will be assessed in the areas that relevant to the Company. The annual assessment also carried out the effectiveness of the Board as a whole.</p> <p>The results of the assessment would be presented to the Board accordingly, which include the recommendation for re-election of retiring directors.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
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	:	Applied	
Explanation on application of the practice	:	<p>As at 31 March 2024, the Board consists of six members, comprises two Executive Directors, one Non-Independent Non-Executive Director and three Independent Non-Executive Directors.</p> <p>The Independent Non-Executive Directors constitute 50% of the Board composition and the Chairman is an Independent Non-Executive 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 5.3

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 Company does not have a policy to limit the tenure of Independent Directors to nine years.</p> <p>The Board is of the view that the ability of Independent Director to carry out the roles and responsibilities effectively are dependent on individual calibre, experience and personal qualities.</p> <p>Restriction on the tenure may result the loss of expertise which are key contributor to an efficient Board.</p> <p>In the coming 43rd Annual General Meeting ("AGM"), the Board shall seek shareholders' approval to retain Tan Sri Sulong who has served as an Independent Non-Executive Director for a cumulative term of more than nine years through a single-tier voting process at the forthcoming AGM.</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

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 believes that a diverse and inclusive Board will leverage the differences of its members, will achieve effective stewardship. Crucially, the merits of the candidate are important in supporting the attainment of the Company's objectives.</p> <p>The criteria for recruitment and annual assessment of Directors as well as senior management are set out in the TOR of the NRC, which was last revised in February 2024.</p> <p>In addition, NRC is also guided by the Directors' Fit and Proper Policy established on 19 May 2022 which set out the fit and proper criteria for the appointment of Directors and re-election of Directors of the Company.</p> <p>A copy of the Directors' Fit and Proper Policy and the NRC's TOR are published on the Company's website at www.southernacids.com.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
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	:	<p>The Board, via the NRC, leverages on various sources for wider pool of potential candidates.</p> <p>In addition to the recommendation from internal sources, the Board may also source externally via industry acquaintance and industry practitioners for recommendations.</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	:	Profile of each director is set out in the Company's annual report. Details of the director's profiles which include the directors' shareholding in the Company, their current and past directorship and their academic qualifications as well as working experience are provided. The information for the directors who are standing for re-election during the AGM and the reasons for the Board to support the re-election of directors are disclosed in the explanatory notes to the agenda of the AGM.
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 Company is complying with the Bursa Malaysia MMLR, under Paragraph 15.08A (1).	
	:	The Board believes that the NRC, which include two other members who are Independent Non-Executive Director, collectively be able to make decision objectively in the best interests of the 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

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	:	The Company is complying with the Bursa Malaysia MMLR, under Paragraph 15.02 (1) (b).	
		<p>The Board recognises the important of gender diversity and strives to achieve at least 30% women participation on the Board.</p> <p>At the same time, the Board believes that while it is important to promote gender diversity, it should not set a target just to fill the required vacancy for gender diversity as the over-riding criteria. Selection should be based on the merit of individual that best fits the Company's requirements.</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

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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	The Company does not have a policy on gender diversity. However, the gender diversity criteria are set out in the Board Charter as well as TOR of the NRC of the Company.
		The Board acknowledges the importance of gender diversity for the Board and senior management. The selection of suitable candidates is based on the candidates' knowledge, merit, qualification, competency and other qualities in meeting the needs of the Company and its subsidiaries. The Board is endeavouring to consider suitable and qualified female candidates for the appointment to the Board as well as senior management.
<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, through the NRC, conducts an annual assessment on the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual Director of the Company and Independent Directors. 1. Assessment of SAB Board The effectiveness of the Board was assessed based on MCGG requirements in terms of its Board structure, Board operation and interaction – structures and procedures and Board roles and responsibilities. 2. Assessment of AC and NRC The evaluation of the BCs Effectiveness Assessment was based on the pre-selected criteria and ratings will be given for each criterion. 3. Individual director's peer assessment The annual assessment of individual director was assessed (peer assessment) based on the contribution of interaction, quality of input, understanding of role, mix of skill/expertise/ mindset and intrinsic values. 4. Assessment of Independent Directors The assessment of Independent Directors was mainly based on criteria set under paragraph 1.01 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements.
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 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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	The remuneration policies and procedures are set out in the TOR of the NRC which is available on the Company's website.
		<p>Our remuneration policies and practices are appropriately reflecting the different roles and responsibilities of non-executive directors, executive directors and senior management.</p> <p>The remuneration package is determined on the basis of the individual Directors', MD/Executive Director's and Chief Financial Officer's merit, qualification and competence, having regard to the Company's operating results, individual performance and comparable market statistics.</p> <p>The compensation policy is also structured to ensure alignment of compensation to corporate performance.</p> <p>Engagement of external professional advisors may be considered to assist and/or advise the Committee, on remuneration matters, where necessary.</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

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, which comprises majority of Independent Non-Executive Directors, has been tasked with expanded duties and responsibilities to assist the Board in implementing policies and procedures on matters relating to the remuneration of the Board and Senior Management.</p> <p>The roles and responsibilities of NRC are governed by its TOR, which are 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

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	:	Details of the remuneration for each of the Directors of the Company on a named basis received or to be received by them from the Company and its subsidiaries, and the Company for the financial year ended 31 March 2024 ("FY2024") are 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 Sulong	Independent Director	135,000	16,800	Input info here	Input info here	Input info here	Input info here	151,800	135,000	16,800	Input info here	Input info here	Input info here	Input info here	151,800
2	Dr Nick Low	Executive Director	90,000	12,000	511,950	207,400	34,151	86,376	941,877	105,000	12,000	511,950	207,400	34,151	86,376	956,877
3	Datuk Lim	Executive Director	90,000	12,000	391,950	157,400	41,722	65,976	759,048	147,392	12,000	391,950	157,400	41,722	65,976	816,440
4	Chung Kin Mun	Non-Executive Non-Independent Director	131,250	19,200	Input info here	Input info here	Input info here	Input info here	150,450	131,250	19,200	Input info here	Input info here	Input info here	Input info here	150,450
5	Stephen Wan	Independent Director	93,750	11,200	Input info here	Input info here	Input info here	Input info here	109,450	93,750	11,200	Input info here	Input info here	Input info here	Input info here	109,450
6	Deborah Debbie Choa (appointed as Board member on 30 August 2023)	Independent Director	52,984	2,400	Input info here	Input info here	Input info here	Input info here	55,384	52,984	2,400	Input info here	Input info here	Input info here	Input info here	55,384
7	Leong So Seh (Vacation of office on 1 June 2023)	Independent Director	15,250	2,400	Input info here	Input info here	Input info here	Input info here	17,650	15,250	2,400	Input info here	Input info here	Input info here	Input info here	17,650
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

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

Intended Outcome

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

Practice 8.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board is of the view that disclosure of the remuneration of senior management on named basis will be disadvantageous to the Company's interests given the current human capital environment for key personnel with the right skills set, the requisite knowledge, expertise and experience are very competitive.</p> <p>In addition, such disclosure may yield to recruitment and talent retention issues.</p> <p>The aggregate remuneration of top top senior management received in FY2024 was RM 3.7 million. For FY2024, the top five senior management's remuneration (excluding Executive Directors) of the Company and its subsidiaries in alphabetical order are Alex Chan Choon Hoong, Cheong Kee Yoong, Herry Mukiat, Tan Suet Guan and Thevakumar Kallaperumal.</p> <p>The remuneration value above is computed on an aggregate basis, taking into account the relevant personnel's salary, allowances, bonus, inclusive of employer contributions to provident fund, benefits-in-kind and other emoluments.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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	:	The AC Chairman is Mr. Stephen Wan, an Independent Director, who is not the 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	:	Currently none of the AC members was a former key audit partner 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

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>Prior to the engagement of the external auditor, the AC assesses the independence and objectivity of the external auditors in carrying out the statutory audit for SAB and its subsidiaries to safeguard the quality and reliability of the audited financial statements.</p> <p>The main criteria used for the assessment are as follows:</p> <ol style="list-style-type: none">1. Internal Assessment;2. Written/verbal confirmation from Auditors' Independence Policies; and3. Assurance from the Auditors Rotation of Partners and Managers. <p>The external auditors, Deloitte PLT, have confirmed that they have complied with the independence requirements set out in the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants.</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 AC members are financially literate and carried out their duties in accordance with its TOR as approved by the Board.</p> <p>The qualification and experience of the individual AC Members are disclosed in the profile of Directors in AR 2024. All AC members have also attended the relevant continuous professional development programmes to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.</p> <p>Details of the training programmes attended by the AC members are set out in the Corporate Governance Overview Statement of the Company's AR 2024.</p> <p>In addition, there were also briefings by the external auditors and the Company Secretaries on relevant updates on financial reporting standards and regulatory requirements from time to time during the Audit Committee meetings whenever there were such updates.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
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 recognises the importance of identifying and managing principal risks of the overall Company's businesses and that the identification as well as the management of such risk will be critical to achieve the Company's corporate objectives.</p> <p>As part of the integral process of risk management, the overall Company's risk management framework is structured in which the existence of significant risk of the Company and its subsidiaries have been identified and quantified. Areas of high risks will be highlighted to the Board and senior management.</p> <p>The Company overall risk management is implemented within a Control self-assessment (CSA) environment. CSA allows department heads and the risk reporting team, who are directly involved within their respective areas, divisions, functions or processes, to assess and identify risks at the operational level. This technique leads to improve internal controls, risk management, and overall performance of the Company and its subsidiaries.</p> <p>To fulfil its fiduciary duties and leadership functions, the Board is supported by the AC and SRAB at management level. The AC meets periodically to discuss the risk faced by the Company and its subsidiaries and ensures that existing mitigation actions are adequate. The AC would ultimately report to the Board level on issues.</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	:	The features of the Company's risk management and internal control framework, as well as the adequacy and effectiveness of the framework are described in the Statement of Risk Management and Internal Control of the Company's AR 2024. Key functions undertaken by those entrusted with risk management and internal control responsibilities as well as the measures being put in place to manage risks are also articulated in the said statement.
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 internal audit function is an integral part of the assurance framework.</p> <p>The Company internal audit function is carried out by PricewaterhouseCoopers Risk Services Sdn Bhd (“PwC RS”), whom was appointed by the AC. The effectiveness of the audit function and its resources of PwC RS will be assessed annually by the AC.</p> <p>The internal audit strategy and a detailed annual internal audit plan are presented to the AC for assessment and approval. The internal audit function adopts a risk-based approach and prepares its audit strategy and plan based on the risk profiles of the business units of the Company and its subsidiaries.</p> <p>PwC RS will provide independent validation and recommendations for improvement in the areas of governance, risk and control. The Internal Auditor reports directly to the AC on a functional basis and to the MD administratively.</p> <p>The internal audit was performed in accordance with generally acceptable internal auditing practices. The approach to be undertaken by the Internal Auditor is as follow: -</p> <ol style="list-style-type: none">1. Discuss with management to understand the key issues in the organisation2. Identify and test the key/ selected controls for the areas under review3. Discuss the exceptions with the process owners and obtain their comments where exceptions are noted4. Provide recommendations to address the gaps identified5. Present audit observations to the AC
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>PwC RS and its engagement team are free from any relationships or conflicts of interest, which could impair their objectivity and independence.</p> <p>The number of engagement team members will depend on the complexity of each assignment. Specialised staff may be assigned when necessary.</p> <p>Staffs involved in the engagement team possess professional qualifications and/or a university degree that had passed the recruitment process of PwC Malaysia.</p> <p>The Engagement Partner is Encik Nik Shahrizal Sulaiman who has a broad range of experience in governance, risk, audit and compliance. Professionally, Encik Nik is qualified in chartered accountancy (“Institute of Chartered Accountants in England and Wales” or “ICAEW”), investments (“Chartered Financial Analyst” or “CFA”), risk management (“Financial Risk Manager” or “FRM”) and treasury (“Pasaran Kewangan Malaysia Certificate” or “PKMC”) and he has over twenty years (20) of professional experience in the United Kingdom and Malaysia.</p> <p>The internal audit was conducted based on PwC RS own internal audit methodology which takes into considerations of International Professional Practice Framework.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

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>As part of the ongoing effort for a transparency and accountability to its stakeholders, the Board endeavours to ensure that its corporate website contains all material information necessary for the stakeholders' decision-making process.</p> <p>All corporate announcements, press releases, quarterly financial results, annual report, circular, corporate presentations on financials results, and the like are placed on the website as soon as practicable after such information is released to Bursa Malaysia.</p> <p>Stakeholders may at any time direct questions or request publicly available information via a dedicated email at kychuong@southernacids.com which is provided in the company website.</p> <p>Our other channels of communication are as follows:</p> <ul style="list-style-type: none"> • AGM • Extraordinary General Meeting • Analyst/Media briefing, if applicable
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
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	:	Applied
Explanation on application of the practice	:	<p>The Company's Notice of AGM is distributed to shareholders at least 28 days prior to the date of AGM.</p> <p>In the last 42nd AGM of the Company which was held on 30 August 2023 and the notice for the AGM was issued on 28 July 2023 which is more than 28 days' notice.</p> <p>The notice period given well in advance of the 21-day requirement of the Companies Act 2016 and the Bursa Malaysia MMLR. This allowed additional time for the Shareholders to consider the proposed resolutions tabled at the AGM and to make informed decisions accordingly.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
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, including the Chair of the AC and NRC were present had attended the last AGM held on 30 August 2023.</p> <p>The Chairman of the Board chaired the AGM in an orderly manner and allowed the shareholders the opportunity to participate remotely and submit questions using the Remote Participation and Voting (“RPV”) facilities in the deliberations of the resolutions being tabled to the shareholders.</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 Company has leverage on technology and conducted its 42nd AGM fully virtual through live streaming and online meeting platform provided by Tricor Investor & Issuing House Sdn. Bhd. ("Tricor") in Malaysia via its TIIH Online website at https://tiih.online.</p> <p>In terms of good cyber hygiene practices to protect data privacy and security of TIIH Online, it has engaged a reputable company to review and test the application and to give assurance that the application has met all the standard operational 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

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>To encourage shareholders and proxies to pose questions, they are encouraged to submit their written questions at least one week before the AGM via email to the company share registrar, Boardroom Share Registrars Sdn Bhd.</p> <p>At the commencement of AGM 2023, the Chairman duly advised the shareholders that they were encouraged to submit their questions or queries using the messaging window facility throughout the AGM proceeding.</p> <p>All the directors of the Company including the chairman of the AC, NRC, external auditors and management members will attend the general meeting to respond to the shareholders' queries.</p> <p>Key matters discussed during the AGM are made available on the Company's website.</p> <p>For the record, all questions raised during the last AGM were answered.</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>The Company's 42nd AGM was held virtually via TIIH Online website at https://tiih.online provided by Tricor which was supported by an experienced technical support team as well as the required infrastructure and equipment.</p> <p>For remote shareholders' participation and voting in absentia at the AGM, the Company provided the procedures and action required pertaining to the meeting to the shareholders under the Notes of the Notice of the 42nd AGM, to enable them to participate and vote at the 42nd AGM remotely via RPV facilities provided by Tricor.</p> <p>Questions received from shareholders prior to the 42nd AGM were displayed on the screen together with the answers during the meeting, while questions posed during the meeting were read out clearly by the Chairman followed by meaningful responses by the Board and /or senior management.</p> <p>Key matters discussed were recorded in the minutes of the AGM which were uploaded 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	:		
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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 13.6

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 :	Departure
Explanation on application of the practice :	
Explanation for departure :	The Board had deliberated and decided not to upload the minutes of AGM onto the Company's website.
	Shareholders can write in to the Company Secretary to request for a copy.
<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
PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA
MALAYSIA**

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

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