

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0022
COMPANY NAME : **PARLO BERHAD** (“PARLO” OR “COMPANY”)
FINANCIAL YEAR : June 30, 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 of Directors ("the Board") of Parlo Berhad ("Parlo" or "the Company") is collectively responsible for establishing Parlo Berhad and its subsidiaries' ("the Group") goals and strategic directions, setting goals and targets for Management and monitoring the achievement of goals and targets. The Board provides effective leadership and manages overall control of the Group's affairs through the discharge of the following duties and responsibilities:-</p> <ul style="list-style-type: none">• Review and approve the transformative business and strategic plan and overall strategic directions for the Group and ensuring that the Group business strategies promote sustainability and support long-term value creation;• Overseeing the conduct of the Group's business by receiving Management Report regularly from the Chief Executive Officer ("CEO");• Review processes for the identification and management of business risk and process for compliance with key regulatory and legal areas and ensure the implementation of appropriate systems to manage risk;• Take cognisance of the Group's continuity in leadership for all key positions;• Overseeing the development and implementation of a shareholder communications policy for the Company to communicate the corporate vision and mission, strategies, development, financial plans and prospects to investors, the financial community and other stakeholders; and• Review the adequacy and integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

	<p>The Board has adopted a Board Charter, which provides guidance on how business is conducted in line with best practices and standards of good corporate governance as well as clarity for Directors and Management with regards to the role of the Board and Board Committees. The Board Committees are authorised to operate within their respective clearly defined Terms of Reference (“TOR”) approved by the Board and report to the Board with their proceedings, deliberations and recommendations.</p> <p>The Board Charter and TOR of the respective Board Committees are subject to regular review and shall be updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board’s responsibilities, as and when is required. The aforesaid are published on the Company’s website at http://www.parlogroup.com.</p> <p>The Board has also established and adopted a Code of Conduct and Ethics (“Code”) which sets forth the values, expectations and ethical conduct of the Board, Management and employees of the Group. A formalised Whistleblowing Policy, which is incorporated in the Code, and an Anti-Bribery and Corruption Framework and Policy (“ABAC Policy”) are being established and put in place by the Board, in the effort of instilling and communicating the Group’s core values standards to the stakeholders, as well as enforcing high ethical standards and ensure adherence to the rules and regulations within the Group.</p> <p>The Code, together with the Whistleblowing Policy and ABAC Policy adopted for all Directors and employees of the Group are subject to review as and when necessary to ensure they remain relevant and appropriate. All the aforesaid are also available for reading on the Company’s website.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

Intended Outcome

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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	Mr Wing Kwong @ Chan Wing Kwong was the Independent Non-Executive Chairman of the Company during the financial period under review. Upon his resignation on 31 October 2021, Mr Tan Kay Yen was appointed as the Chairman of the Board on 1 November 2021 in replacement thereof, who had subsequently resigned on 27 January 2022.
		<p>The Board is of the view that the strong presence of Independent Directors aided by the Executive Directors enables an orderly and effective functioning Board to provide effective leadership, strategic direction and necessary governance to the Group for the time being.</p> <p>The Board intends to appoint a Chairman in the near future. The roles and responsibilities of the Chairman of the Board have been clearly defined in the Board Charter which is available on the Company's website.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Following the resignation of Mr Tan Kay Yen as the Independent Non-Executive Chairman of the Company on 27 January 2022, there was no Chairman being appointed subsequent thereto.</p> <p>The Board of Directors of the Company, notwithstanding that the role of the Chairman of the Board meeting being assumed by Mr Ti Lian Seng, the Executive Director/ CEO of the Company for the time being, is of the opinion that the element of independence is adequate to provide assurance that there is a balance of power and authority on the Board, in view of the presence of three (3) Independent Non-Executive Directors provides the necessary check and balance on the decision-making process of the Board.</p> <p>The distinct and separate roles and responsibilities of the Chairman and CEO are set out in the Board Charter which is available on the Company's website.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

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	: As at the date of the issuance of this report, the Company had yet to appoint a Chairman of the Board in replacement of Mr Tan Kay Yen, who had resigned as the Independent Non-Executive Chairman of the Company on 27 January 2022. Nevertheless, the Board intends to appoint a Chairman of the Board in the near future.
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 former and current Company Secretary(ies) are suitably qualified, experienced and competent Company Secretaries who possess the requisite qualification and are qualified to act as Company Secretary under the Companies Act 2016 ("the Act"). The Board acknowledges that the Company Secretaries play an important role in ensuring adherence to the Company's Constitution and compliance with the relevant regulatory requirements, codes or guidance and legislations from time to time.</p> <p>The Company Secretary(ies) continuously monitor corporate governance developments and regularly update and advise the Board on the latest requirements issued by regulatory authorities in relation to their duties and responsibilities and its implications to the Company, to ensure the Board's application of the governance practices to meet the Board's needs and stakeholders' expectations. The Company Secretaries also keep the Directors and Principal Officers informed of the closed period for dealings in the Company's shares.</p> <p>Every Director has ready and unrestricted access to the advice and services of the Company Secretary(ies) in ensuring the effective functioning of the Board. The Company Secretary would ensure that the Board and Board Committee meetings are properly convened and the deliberations, accurate and proper records of the proceedings and resolutions passed are well captured and documented.</p> <p>During the financial period under review, the Board was briefed by the Company Secretary(ies) on the "Updated Malaysian Code on Corporate Governance 2021" and the latest development on the governance matters involving the Company.</p> <p>The Company Secretaries had and will continuously undertake professional development and keep themselves abreast on matters concerning company law, capital market, corporate governance, other pertinent matters and with changes in the same regulatory environment, through continuous training and industry updates.</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>Management and the Company Secretary(ies) ensure that the Board receive adequate and timely information before Board and/or Board Committee meetings.</p> <p>The notice of the scheduled Board and Board Committee meetings with full agenda is served to the Directors at least five (5) working days prior to meetings, unless exceptional circumstances which require a Special Board meeting to be called by a shorter notice to deliberate and address urgent issue, with the consent of all respective Board or Board Committee members.</p> <p>The relevant Board papers and reports including matters arising, financial, operational and regulatory compliance matters were disseminated to all respective Board or Board Committee members at least five (5) working days, or such other period as deemed appropriate by the Board in electronic form via email prior to meetings, so as to accord sufficient time for the Directors to peruse the Board papers and to seek any clarification or further details that they may need from Management, or to consult independent advisers, if they deemed necessary, to facilitate informed decision making and meaningful discharge of their duties and responsibilities.</p> <p>Subsequent to the Board and/or Board Committee meeting, the draft minutes will be circulated to the Board and/or Board Committee for confirmation to ensure that deliberations and decisions of the Board are accurately recorded. The Company Secretary would ensure that a statement of declaration of interest or abstention from voting and deliberation is recorded in the minutes, when and where necessary.</p> <p>The Chairman of the respective Board and Board Committee meetings will confirm the minutes as a correct record of the proceedings and thereafter, the said minutes of all proceedings will be kept in the statutory book at the registered office of the Company to be made available for inspection under the Act.</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 has adopted a Board Charter which provides guidance on how business is conducted in line with best practices and standards of good corporate governance as well as clarity for Directors and Management with regards to the role of the Board and Board Committees.</p> <p>The Board Charter sets out the authority, responsibilities, membership and operation of the Board and of the Group, adopting principles of good corporate governance and practice, in accordance with applicable laws in Malaysia. The Board Charter entails, inter alia, the following main items:-</p> <ul style="list-style-type: none">• Roles and responsibilities of the Board;• Delegation to Committees;• Board structure;• Relationship with Management;• Stakeholders management; and• Whistleblowing policy <p>The Board Charter is applicable to all Directors of the Company and, amongst other things, provides that all Directors must avoid conflicts of interest between their private financial activities and their part in conduct of company business.</p> <p>The Board Charter is to be regularly reviewed by the Board and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities, as and when is required.</p> <p>The Board Charter is published on the Company's website at http://www.parlogroup.com.</p>
Explanation for departure	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established a Code of Conduct and Ethics ("Code") which covers ethical behaviour in all aspects of the Company's business operations, including a formalised Whistleblowing Policy. This includes areas concerning confidentiality of information, conflict of interest, gifts, gratuities, bribes, dishonest conduct and assault, unlawful or unethical behaviour, protection and proper use of the Company's assets and compliance with laws, rules and regulations. The said Code is expected to govern the standards of ethics and good conduct expected of all Directors and employees of the Group.</p> <p>Employees are made aware that relevant disciplinary actions will be taken for unethical behaviour and gross misconduct that is in contravention with the ethos of the said Code. Heads of Business Divisions/Departments play an important role to oversee the culture of the Company to ensure it engenders ethical conduct.</p> <p>The Board has also put in place the Anti-Bribery and Corruption Framework and Policy ("ABAC Policy") in accordance with the Guidelines on Adequate Procedures issued by the Prime Minister's Department in December 2018 pursuant to the Guidelines for commercial organisations (which include Parlo Group) in minimising or preventing the occurrence of corrupt practices ("the Guidelines"), to enforce high ethical standards and ensure adherence to the rules and regulations within the Group.</p> <p>The ABAC Policy sets out the Group's policies to prevent acts of bribery and corruption, which applies to all Directors and employees and also those who work for or associated with the Group in regard to observing and upholding the Group's zero-tolerance position on bribery and corruption. It exists to act as a source of information and guidance for those working for the Group on the appropriate practices to be complied with in relation to improper solicitation, bribery and other corrupt activities and/or issues that may arise in the course of business</p>

	<p>and helps them to recognise and deal with bribery and corruption issues, as well as understand their responsibilities.</p> <p>The ABAC Policy has been designed to comply with legislation and policies governing bribery and corrupt practices in Malaysia, i.e. Malaysian Anti-Corruption Commission Act 2009 and the Malaysian Anticorruption Commission (Amendment) Act 2018 and any of its amendments or re-enactments that may be made by the relevant authority from time to time.</p> <p>The Board will regularly review and update the Code and the ABAC Policy as guided by the Guidelines, as and when required to ensure it remains relevant and appropriate. The Code and the ABAC Policy to be adhered by all Directors and employees of the Group are published on the Company's website at http://www.parlogroup.com.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

The 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 Board has always encouraged employees to report genuine concerns in relation to breach of a legal obligation (including negligence, criminal activity, breach of contract and breach of law), miscarriage of justice, danger to health and safety or to the environment and the cover-up of any of these in the workplace.</p> <p>To facilitate the abovesaid, the Board has established and adopted a formalised Whistleblowing Policy, which is incorporated in the Code, to provide an avenue to facilitate all employees of the Group and members of the public to raise any concerns or disclose any improper conduct involving the Group and its Directors or employees, and take appropriate action to resolve it effectively.</p> <p>Amongst others, the Whistleblowing Policy is to ensure that a whistleblower can report or disclose through established channels, concerns that are taking place/has taken place/may take place in the future. Only genuine concerns should be reported and this report should be made in good faith with a reasonable belief that the information and any allegation contained within are substantially true, and the report is not made for personal gain. Malicious and false allegations will be viewed seriously and if proven, may lead to dismissal or termination of the whistleblower.</p> <p>With regards to the Anti-Bribery and Corruption Framework and Policy ("ABAC Policy") which has been adopted by the Group with effect from 1 June 2020, the Group has also encouraged the use of the whistleblowing channel for all employees to report or raise concerns in relation to any suspected corruption incidents or inadequacies in the Group's ABAC policies and procedures.</p> <p>The identity of such whistleblower shall be kept in strictest confidentiality and shall be protected and indemnified. The appropriate communications and feedbacks can be channelled to the Chairman of the Audit and Risk Management Committee ("ARMC"), Mr Leow Wey Seng and the CEO of the Company, Mr Ti Lian Seng, in the following manner:-</p>

	<p><u>Channels for reporting</u></p> <p>Reports are to be made in writing or via email to the designated persons set out below:</p> <p>(i) For matters relating to financial reporting, unethical or illegal conduct, reports are to be made directly to:</p> <p style="padding-left: 40px;">Mr Leow Wey Seng <i>Independent Non-Executive Director – Chairman of the ARMC</i> <i>Email: wilsonleow82@gmail.com</i></p> <p>(ii) For employment and/or business operation matters, reports are to be made directly to:</p> <p style="padding-left: 40px;">Mr Ti Lian Seng <i>Executive Director/ Chief Executive Director</i> <i>Email: ti@parlogroup.com</i></p> <p>For the financial period ended (“FPE”) 30 June 2022, none of the designated persons have received any report or concerns vide the abovementioned communication and feedback channels.</p> <p>The Whistleblowing Policy is available within the Board Charter published on the Company’s website.</p>	
<p>Explanation for departure :</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure :</p>		
<p>Timeframe :</p>		

Intended Outcome

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

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group recognises the importance of being committed in creating long-term sustainable value for all stakeholders and acknowledged that sustainability has become a significant factor contributing to business growth and competitiveness internationally.</p> <p>The Board reviews the Group's operational practices that affect sustainability of economic, environment, governance and social aspects of its business on a regular basis and is responsible to promote and ensure that sustainability excellence is embedded in the Group's vision and mission.</p> <p>The Board is supported by Management to implement the relevant sustainability initiatives and strategies towards identified key sustainability matters of the Group. Details of which are as disclosed in the Sustainability Statement of the Annual Report 2022 of the Company.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 Group recognised the importance of the interest and support of the stakeholders in its business ecosystem. Close engagement and understanding are maintained with the Group’s various stakeholders as their perspectives are essential to help the Group prioritise the actions for continuous sustainable improvements. The Group also ensures that its communication with the internal and external stakeholders are transparent and timely.</p> <p>The Group is committed to being accountable and responsive to the expectations and interests of its stakeholders. The Group has identified the key stakeholder groups, the corresponding sustainability focus areas and the type of engagement with such stakeholders, details of which as disclosed in the Company’s Sustainability Statement of the Annual Report 2022.</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 4.3

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 members, unless otherwise disclosed with stated reasons, had attended seminars/conferences/training programmes throughout the financial period under review, to ensure that they continuously stay abreast on the latest developments relevant to the Group and its business, including topics in relation to sustainability issues.</p> <p>The Board will continue to attend other relevant education and/or training programmes to keep abreast with latest developments and knowledge on various sustainability related issues as well as efforts to address them on a continuous basis. The Board would also provide their views and opinions on the Group’s sustainability issues during the Board meetings.</p> <p>Details of the seminars/conferences/training programmes attended by the respective Board members are disclosed in item 2.7 – Directors’ training of the Company’s Corporate Governance Overview Statement of the Annual Report 2022.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board will, through the Nomination Committee, review the current performance evaluation forms for the assessment and evaluations of the Board, Board Committees and Senior Management of the Company, to include a review of the performance of the Board and Senior Management in addressing the Company's material sustainability risks and opportunities.	
		Due to the changes in the Board and Senior Management of the Group, the Board take note of this departure and will take necessary steps to apply this best practice.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Others	

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 Nomination Committee ("NC") continues to discharge their functions to ensure that the board composition and the tenure of each Director is reviewed annually. The NC also ensures that the re-election of Directors is carried out annually pursuant to the relevant provisions of the Company's Constitution and evaluation of the Directors are done objectively.</p> <p>The Board is made up of individuals from a wide range of background and experiences to ensure diverse views and perspective are accounted for before any decisions are made by the Board.</p> <p>Each Board member was provided with performance evaluation forms and questionnaires for the assessment of the Board, Board Committees and Individual Directors after the end of each financial year. The results of the individual Director's performance evaluation outcome had supported the NC's review and recommendation, as well as the Board's decision to endorse the retiring Director(s) standing for re-election, in contingent on satisfactory evaluation of the said Director's performance and contribution to the Board, with due consideration of the tenure, expertise, skills, knowledge and experience of the 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	:	Applied	
Explanation on application of the practice	:	<p>The Board consists of six (6) members, comprising two (2) Executive Directors, one (1) Non-Independent Non-Executive Director and three (3) Independent Non-Executive Directors (“Independent Directors”).</p> <p>The composition of the Board complies with Rule 15.02(1) of the ACE Market Listing Requirements (“ACE LR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), which requires at least two (2) directors or one-third (1/3) of the Board, whichever is higher, to be Independent 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 5.3

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	:	<p>The Board Charter of the Company provides that:</p> <p><i>“The tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of 9 years, an Independent Director may continue to serve on the Board subject to his/her re-designation as a Non-Independent Director. If the Board intends to retain an Independent Director beyond nine (9) years, the Board should provide justification and seek annual shareholders’ approval through a two-tier voting process as guided by the Malaysian Code on Corporate Governance”</i></p> <p>There is no Independent Directors who have served on the Board for a cumulative term of more than nine (9) years for the financial period under review.</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 5.4 - 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 supportive of diversity in the Board's composition and Senior Management team and does not practice discrimination of any form. The appointment of members of the Board and Senior Management team are based on objective criteria, merit and also due regards for diversity in experience, skills set, age, gender, ethnicity and cultural background, in order to facilitate greater depth and breadth to Board discussions and constructive debates at Senior Management level.</p> <p>The Nomination Committee ("NC") is responsible for assessing the suitability of and making recommendations on any potential candidate for appointment as a new Director and ensuring the relevant procedures for appointment of new Directors are transparent and based on merit, as well as evaluate the existing Directors on an on-going basis and to consider and recommend the re-election of Directors who are due for retirement. Nonetheless, the final decision on the appointment of a Board member candidate recommended by the NC shall lies with the Board.</p> <p>For the FPE 30 June 2022, the NC had carried out an assessment on the effectiveness of the Board as a whole, the respective Board Committees and each individual director. The assessment on each individual director was based on their contribution, competency, time commitment, integrity and experience in meeting the needs of the Group and suggestions to enhance Board effectiveness. The evaluation process of each individual director also included self-review assessment on their independence status. The NC was satisfied with the performance and the results of the assessments of the Board as a whole, the Board Committees and each individual director.</p> <p>Based on the above, the Board is of the view that the current composition of the Board provides an adequate mix of knowledge, skills, experience and expertise to assist the Board in effectively discharging its stewardship and responsibilities. Collectively, the</p>

	<p>Directors combine their diverse commercial, regulatory, industry and financial experience to add value to the Board as a whole.</p> <p>The Board has also formalised vide the Board Charter its expectations on time commitment for its members. All Directors are expected to devote sufficient time to carry out its responsibility and are required to notify the Chairman of their intention of accepting any new directorship in other public listed companies. The notification shall include an indication of time that will be spent on the new appointment. The Chairman has to also notify the Board if he has any new directorship or significant commitments outside the Group.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

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>As disclosed in Practice 5.5, the Nomination Committee (“NC”) is responsible for assessing the suitability of and making recommendations on any potential candidate for the appointment as new Board members.</p> <p>The Company has in place the relevant procedures and criteria for identifying candidates for appointment of new Directors. The NC will scrutinise the suitability and qualification of the candidates by taking into account the candidate’s mix of skills, competency, expertise, experience, professionalism, integrity, time commitment and contribution that the candidate could provide to complement the Board and recommend the same for the Board’s approval.</p> <p>In the process of identification of suitable new candidates, the NC does not solely rely on recommendations from the existing Board member, Management or major shareholders of the Company. The Board will ensure that an appropriate review or search is undertaken by the NC and/or an independent third party if necessary, to facilitate informed decision-making and would consider utilising independent sources to identify suitably qualified candidates when necessary.</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 5.7

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 each Director including the details of their age, work experience, professional qualifications, skillsets, educational background, directorships in other listed and non-listed public companies, family relationship with any other Director and/or major shareholder of the Company, as well as their conflict of interest with the Company (if any), etc, are set out in the Annual Report 2022 for shareholders' reference and purview.</p> <p>In addition, shareholders could also ascertain other important information pertaining to the independence of the Independent Directors of the Company in terms of their controlling share interest in the Company (if any), any related party transactions involving their interest, their remuneration, meeting attendance, position and roles in Board Committees and the responsibilities undertaken before casting their vote for the appointment or re-appointment of the Directors.</p> <p>The Board's statement of support on the appointment (if any) or re-appointment of the Directors is set out in the explanatory notes of the Notice of Annual General Meeting ("AGM").</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 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Nomination Committee (“NC”) is chaired by En MD Radzi Bin Din, an Independent Non-Executive Director of the Company, who was appointed as the Chairman of the NC on 6 August 2021.</p> <p>The Chairman of the NC is responsible to lead the NC in the process of appointment on new Directors, re-election of Board members, succession planning, carrying out annual review of effectiveness of the Board and Board Committees as well as the contribution and performance of each individual 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 5.9

The board comprises at least 30% women directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board acknowledges that gender diversity is one of the key attributes to an effective and balanced board and is committed to having female representation on the Board.</p> <p>As at the date of issuance of this report, there is one female member in the Key Senior Management position, being the Chief Financial Officer (“CFO”) of the Group.</p> <p>The Board recognises the importance of diversity with the right mix of skills and experience in Board’s composition in ensuring its effectiveness and good corporate governance.</p> <p>The Nomination Committee will take steps to identify female candidates subject to appropriate due diligence on the candidate’s compatibility, competency, character, time commitment, integrity and experience.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

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

Practice 5.10

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Despite the Company not having any formalised Gender Diversity Policy for the Board and Senior Management, the Board practices non-gender discrimination and endeavours to promote workplace diversity and supports the representation of women in the composition of the Board and Senior Management positions of the Company.	
		A formal policy would be drawn up in the future.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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	: <p>The Nominating Committee (“NC”) is accountable to the Board to undertake the annual performance evaluation of the Board’s effectiveness as a whole, including the performance of the various Board Committees and each Individual Director’s contribution to the Board performance.</p> <p>As disclosed in Practice 5.1, each Board member was provided with performance evaluation forms and questionnaires for the assessment of the Board, Board Committees and Individual Directors after the end of each financial year. The completed assessment forms were then collated by the Company Secretary and the summary of the assessment results for the respective evaluation were tabled to the NC for review and deliberation. The NC will then review and assess the adequacy of the Board’s composition, effectiveness of the Board and Board Committees and Individual Director’s performance through the summaries and make the necessary recommendation to the Board.</p> <p>The assessment criteria of the Board and Board Committees include, among others, Board mix and composition, quality of information and decision making, Board activities, Board’s relationship with the Management and Board Committee’s performance evaluation. For individual Director self/peer evaluation, the criteria of the assessment cover three (3) main areas, which include fit and proper, contribution and performance, and calibre and personality.</p> <p>Based on the evaluation conducted during the FPE 30 June 2022, the NC and the Board were satisfied with the overall performance of the individual Directors, respective Board Committees and the Board as a whole, as well as the level of independence demonstrated by the Independent Directors throughout the financial period under review and their abilities to exercise objective judgement and act in the best interest of the Company.</p>

Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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	:	Please provide an explanation on how the practice is being applied.
Explanation for departure	:	<p>The Remuneration Committee ("RC") is responsible for determining, reviewing and proposing the remuneration of the Executive and Non-Executive Directors (including Non-Executive Chairman), CEO (where the CEO is not a Director of the Company) and Key Senior Management of the Company to the Board on an on-going basis.</p> <p>The Executive Directors' remuneration is designed to link rewards to the Group's and individual's performance whilst the remuneration of the Non-Executive Directors is determined in accordance with their experience and the level of responsibilities assumed. Additionally, in ensuring that the Directors' remuneration is in line with the market expectation and competition to retain and attract talents in the Group, reference is made to the Directors' remuneration offered by other public listed companies.</p> <p>The Non-Executive Directors will receive a fixed base Directors' Fee, not by a commission or on percentage of profits/turnover, as consideration for their expected roles and responsibilities, including any additional work and contributions required to discharge their duties as a Board member.</p> <p>The Executive Directors concerned play no part in the decision on their own remuneration. Likewise, the remuneration of the Independent Non-Executive Directors is a matter for the Board as a whole, with individual Directors abstaining from discussion of their own remuneration.</p>

	<p>No remuneration policy is formulated and made available on the Company's corporate website, as the Board is of the view that the confidentiality and sensitivity of the features of the Company's remuneration structure which are in supportive of the strategies and long-term vision of the Company should be safeguarded.</p>	
	<p>A formal remuneration policy would be drawn up to better assess the performance of the Executive Director and Senior Management staff in the future.</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure :</p>		
<p>Timeframe :</p>		

Intended Outcome

The 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 Remuneration Committee ("RC") of the Company has been entrusted with the responsibility to determine, review and propose the remuneration of the Executive and Non-Executive Directors and Key Senior Management of the Company, to ensure that the remuneration package remains in support of its corporate objectives and shareholder value and is in tandem with its culture and strategy, which would enable the Company to attract and retain its Directors and Key Senior Management. The RC's approach is in line with the Company's overall philosophy that all employees should be appropriately rewarded.</p> <p>The RC met twice during the FPE 30 June 2022, to review and recommend the following matters to the Board for approval:-</p> <ul style="list-style-type: none">(a) Remuneration package of the Executive Directors/ CEO for the financial year ending 31 December 2021;(b) Directors' Fees for the financial year ending 31 December 2021;(c) Directors' Benefits payable to the Directors for the period from the 24th AGM until the 25th AGM of the Company; and(d) Remuneration package of the Key Senior Management for the financial year ending 31 December 2021. <p>The RC is governed by its Terms of Reference ("TOR") and the authority and responsibilities of the RC are as set out in the TOR of the RC, which is available for reference on the Company's website.</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

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

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied
Explanation on application of the practice	:	The detailed disclosure on named basis for the remuneration of individual Directors who served the Board during the FPE 30 June 2022 is set out in the table below.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Ti Lian Seng	Executive Director	36	7	594	Input info here	Input info here	Input info here	637	36	7	649	Input info here	Input info here	Input info here	692
2	MD Radzi Bin Din	Independent Director	42	7	Input info here	Input info here	Input info here	Input info here	49	42	7	Input info here	Input info here	Input info here	Input info here	49
3	Leow Wey Seng (Appointed on 25 January 2022)	Independent Director	13	2	Input info here	Input info here	Input info here	Input info here	15	13	2	Input info here	Input info here	Input info here	Input info here	15
4	Datuk Chong Loong Men (Appointed on 27 January 2022)	Executive Director	12	2	80	Input info here	Input info here	Input info here	94	12	2	145	Input info here	Input info here	Input info here	159
5	Lim Ming Chang (Appointed on 27 January 2022; Re-designated on 7 June 2022)	Non-Executive Non-Independent Director	12	2	64	Input info here	Input info here	Input info here	78	12	2	104	Input info here	Input info here	Input info here	118
6	Ng Fun Kim (Appointed on 28 June 2022)	Independent Director	0	Input info here	Input info here	Input info here	Input info here	Input info here	0	0	Input info here	Input info here	Input info here	Input info here	Input info here	0
7	Yong Kim Fui (Appointed on 4 June 2021; Resigned on 31 March 2022)	Independent Director	28	4	Input info here	Input info here	Input info here	Input info here	32	28	4	Input info here	Input info here	Input info here	Input info here	28
8	Yap Tsok Lim (Dani) (Resigned on 1 March 2022)	Executive Director	28	6	325	Input info here	Input info here	Input info here	359	28	6	412	Input info here	Input info here	Input info here	446
9	Tan Kay Yen (Appointed on 1 November 2021; Resigned on 27 January 2022)	Independent Director	20	1	Input info here	Input info here	Input info here	Input info here	21	20	1	Input info here	Input info here	Input info here	Input info here	21

10	Chow Zee Neng (Appointed on 29 December 2021; Resigned on 27 January 2022)	Non-Executive Non-Independent Director	2	1	Input info here	Input info here	Input info here	Input info here	3	2	1	Input info here	Input info here	Input info here	Input info here	3
11	Ho Kok Wei (Re-designated on 9 April 2021; Resigned on 25 January 2022)	Non-Executive Non-Independent Director	26	5	Input info here	Input info here	Input info here	Input info here	31	26	5	Input info here	Input info here	Input info here	Input info here	31
12	Wing Kwong @ Chan Wing Kwong (Resigned on 31 October 2021)	Independent Director	70	4	Input info here	Input info here	Input info here	Input info here	74	70	4	Input info here	Input info here	Input info here	Input info here	74
13	Kok Shuh Min (Retired on 28 June 2021)	Independent Director	11	1	Input info here	Input info here	Input info here	Input info here	12	11	1	Input info here	Input info here	Input info here	Input info here	12
14	Input info here	Choose an item.	Input info here													
15	Input info here	Choose an item.	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 Company is of the view that it is not in the best interest of the Company to disclose detailed remuneration components of the top five (5) Senior Management in bands of RM50,000 on a named basis in view of confidentiality and security reasons. In addition, the Company is operating in a very competitive environment where talent retention is a challenge.</p> <p>The Company has disclosed the remuneration of the top five (5) Senior Management of the Group (who are not Directors of the Company) in bands of RM50,000 only and the disclosure is set out in the Corporate Governance Overview Statement of the Annual Report 2022.</p> <p>The Board will ensure that the remuneration of Senior Management is fair and commensurate with the performance of the Group and the contribution made by the Senior Management. Shareholders can also evaluate the appropriateness of the total remuneration paid against the financial performance of the Group.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.				
2	Input info here	Input info here	Choose an item.	Choose an item.				
3	Input info here	Input info here	Choose an item.	Choose an item.				
4	Input info here	Input info here	Choose an item.	Choose an item.				
5	Input info here	Input info here	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						
2	Input info here	Input info here						
3	Input info here	Input info here						
4	Input info here	Input info here						
5	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	:	<p>Taken in account of the change in the composition of the Audit and Risk Management Committee (“ARMC”) of the Company during the FPE 30 June 2022, none of the current or former Chairman of the ARMC is or was the Chairman of the Board during the tenure of them being the Chairman of the ARMC.</p> <p>The current Chairman of the ARMC is Mr Leow Wey Seng, whilst the Chairman of the Board has yet to be appointed as at the date of issuance of this report.</p> <p>Details of the current ARMC’s composition and the summary of work of activities of the ARMC are set out in the ARMC report of the Annual Report 2022.</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 9.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>None of the Audit and Risk Management Committee ("ARMC") member is a former partner of any of the Company's External Auditors.</p> <p>The Board recognises the importance of observing the cooling-off period to safeguard the independence of the audit by avoiding the potential threats which may arise when a former partner exerts influence over the audit and preparation of the Group's financial statements.</p> <p>This practice has been adopted by the ARMC as stipulated in its Terms of Reference ("TOR") where it has put in place the policy that requires a former key audit partner of the Company to observe the required cooling-off period of at least three (3) years before being appointed as a member of the ARMC.</p> <p>The TOR of the ARMC is available for reference 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

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 Audit and Risk Management Committee ("ARMC") has formalised the policies and procedures to assess the suitability, objectivity and independence of its External Auditors, which encompasses the review and consideration of the nature and extent of non-audit services provided by the External Auditors alongside the appropriateness of the fees paid for such services on annual basis. The outcome of the assessment would form a basis for the ARMC in making recommendation to the Board on the re-appointment of the External Auditors for the ensuing year at the Company's AGM.</p> <p>During the FPE 30 June 2022, the ARMC had carried out an annual assessment on the suitability and independence of the External Auditors and in its assessment, the ARMC had considered, inter alia, the following factors:-</p> <p>For "suitability" assessment:</p> <ul style="list-style-type: none">• The External Auditors have the adequate resources, skills, knowledge and experience to perform their duties with professional competence and due care in accordance with approved professional auditing standards and applicable regulatory and legal requirements;• To the knowledge of the ARMC, the External Auditors do not have any record of disciplinary actions taken against them for unprofessional conduct by the Malaysian Institute of Accountants ("MIA") which has not been reversed by the Disciplinary Board of MIA;• The external audit firm has the geographical coverage required to audit the Group;• The external audit firm advises the ARMC on significant issues and new developments pertaining to risk management, corporate governance, financial reporting standards and internal controls on a timely basis;• The external audit firm consistently meets the deadlines set by the Company;• The level of quality control procedures in the external audit firm, including the audit review procedures; and

	<ul style="list-style-type: none"> The external audit scope is adequate to cover the key financial and operational risks of the Group. <p>For “objectivity” assessment:</p> <ul style="list-style-type: none"> The nature and extent of the non-audit services rendered and the appropriateness of the amount of non-audit fees paid or payable to the External Auditors in relation thereto; and The External Auditors do not have relationships with, or interests in, the Company or any other entity that are likely to impair their objectivity or independence. <p>For “independence” assessment:</p> <ul style="list-style-type: none"> The engagement partner in charge of the financial statement audit of the Group has not served for a continuous period of more than five (5) years with the Company; Written assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements; and Tenure of service of the current External Auditors. <p>In reviewing the audit and non-audit services provided by the External Auditors, the ARMC ensures that the independence and objectivity of the External Auditors are not compromised. The External Auditors have provided their independent declaration to the ARMC and the Board before and after the finalisation of the Group’s statutory audit, confirming their independence throughout the conduct of the audit engagement in accordance with the relevant professional and regulatory requirements.</p> <p>The ARMC had also met with the External Auditors without the presence of any Executive Directors and Management once during the ARMC meeting for the FPE 30 June 2022.</p> <p>The ARMC, having assessed the independence of the External Auditors as well as reviewed the level of non-audit services rendered by them, was satisfied with their performance, technical competency, suitability, objectivity and independence.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	

Timeframe	:		
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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	:	Adopted
Explanation on adoption of the practice	:	The Audit and Risk Management Committee comprise solely three (3) Independent Non-Executive Directors.

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>Collectively, the members of the Audit and Risk Management Committee ("ARMC") members possess a wide range of necessary skills, have the relevant experience and expertise in finance and accounting and are financially literate to discharge their duties. They are able to understand matters under the purview of the ARMC, including the financial reporting process and have carried out their duties in accordance with the Terms of Reference of the ARMC.</p> <p>The qualification and experience of each individual ARMC members are disclosed in the Directors' Profile of the Annual Report 2022.</p> <p>The ARMC continuously seek for further professional development opportunities and had undertaken the relevant training programmes to keep themselves abreast of the relevant developments in accounting and auditing standards, statutory laws, regulations and best practices to enable them to effectively discharge their duties.</p> <p>Details of the seminars/conferences/training programmes attended by the respective ARMC members are available in item 2.7 – Directors' training of the Company's Corporate Governance Overview Statement of the Annual Report 2022.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.1

The board should establish an effective risk management and internal control framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges its overall responsibility in maintaining the Group's sound system of internal control and risk management that provides reasonable assessment of effective and efficient operations, internal financial controls and compliance with laws and regulations as well as with internal procedures and guidelines.</p> <p>The Board also acknowledges its responsibilities to:-</p> <ul style="list-style-type: none">• Identify key risks and ensure implementation of appropriate control measures to manage the risks; and• Review the adequacy and integrity of the internal control system. <p>The Board recognises that the Group's internal control system is designed to manage rather than eliminate the risk of failure to achieve the Group's business objectives and can only provide reasonable but not absolute assurance against material misstatement, errors, frauds, losses or unforeseen emerging risks.</p> <p>The Board is assisted by the Audit and Risk Management Committee which functions as an oversight body to review controls and systems in general periodically and to carry out on-going assessment over the adequacy and effectiveness of the risk management and internal control processes and practices within the Group. The Company will continuously enhance the existing system of risk management and internal control by taking into consideration the changing business environment.</p> <p>In addition to the abovementioned, the Board is supported by Management in developing, implementing and monitoring practices for identifying and managing risks. This is added with the role of the Management to provide assurance that the necessary control practices are adhered and carried out accordingly based on stipulated policies and framework.</p> <p>The CEO and the CFO have provided assurance to the Board that to the best of their knowledge and believe, the Group's risk management and internal control system has been operating adequately and effectively in all material aspects, to meet the Group's objectives during the</p>

	<p>financial period under review. The Board also seeks regular assurance on the continuity and effectiveness of the internal control and risk management system through independent review by the Internal and External Auditors.</p> <p>The Board is of the view that the overall risk management and internal control in place for the financial period under review up to the date of issuance of this report are operating adequately and effectively in all material aspects, for the purpose of safeguarding the Group’s assets as well as shareholders’ investments and the interests of employees and other stakeholders and is considered adequate for the Group’s business operations.</p> <p>The information and further details on the Group’s risk management framework and internal audit function are set out in the Statement on Risk Management and Internal Control of the Annual Report 2022.</p>	
<p>Explanation for departure</p>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	:	
<p>Timeframe</p>	:	

Intended Outcome

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

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

Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group's internal audit function is outsourced to an independent professional consulting firm, Talent League Sdn Bhd, led by Mr Roy Thean, who is a member of The Institute of Internal Auditors Malaysia, together with his team of capable staff to assist the Audit and Risk Management Committee ("ARMC") and the Board in conducting independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control systems and governance practices, so as to provide reasonable and objective assurance on the adequacy, integrity and effectiveness of the Group's overall system of internal controls, risk management and governance.</p> <p>Talent League also acts as the Internal Auditors of the Company, who report functionally to the ARMC and have unrestricted direct access to the ARMC. Its function is independent of the activities or operations of other operating units. The Internal Auditors are invited to attend the ARMC meetings to facilitate the deliberation of internal audit reports.</p> <p>The internal audit function is independent of the operations of the Group and provides reasonable assurance that the Group's system of internal control is satisfactory and operating effectively. The Internal Auditors adopt a risk-based approach towards the planning and conduct of audits, which are consistent with the Group's framework in designing, implementing and monitoring its internal control system.</p> <p>The ARMC reviews the internal control issues identified by the Internal Auditors and Management. In the reviewing process, the ARMC also evaluates the adequacy and effectiveness of the Group's risk management and internal control system.</p> <p>The key features of the internal control established within the Group are set out in the Statement on Risk Management and Internal Control of the Annual Report 2022.</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	:	Adopted
Explanation on adoption of the practice	:	<p>The Audit Committee and Risk Management Committee have been merged to become a single Board Committee known as the Audit and Risk Management Committee ("ARMC"), which aimed to improve its efficiency and effectiveness in discharging its duties.</p> <p>The ARMC comprises three (3) members, which all of whom are Independent Non-Executive Directors.</p> <p>The ARMC discusses solutions and challenges pertaining to risk management and all proceedings are reported to the Board at the Board meeting after the conclusion of the ARMC meeting.</p> <p>The Terms of Reference of the ARMC is published on the Company's website at www.parlogroup.com.</p>

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group's internal audit function is outsourced to an independent professional consulting firm, who also acts as the Internal Auditors of the Company, to assist the Audit and Risk Management Committee ("ARMC") and the Board in conducting independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control systems and governance practices, so as to provide reasonable and objective assurance on the adequacy, integrity and effectiveness of the Group's overall system of internal controls, risk management and governance.</p> <p>The Internal Auditors report functionally to the ARMC and have unrestricted direct access to the ARMC. Its function is independent of the activities or operations of other operating units.</p> <p>The ARMC would review and approve the Group's Internal Audit Plan proposed by the Internal Auditors, entailing the audit scope, coverage and frequency based on a risk-based approach presented by the Internal Auditors for each financial year. Also, to ensure the objectivity and independence of the audit team, the ARMC reviews the engagement proposed by the Internal Auditors annually.</p> <p>Scheduled internal audits were carried out based on the approved Group's Internal Audit Plan and follow-up reviews were also conducted on previously reported findings and status update of the implementation of their recommendations by Management.</p> <p>The internal audit reports, summarising the observations of control weaknesses, recommendations for improvement and Management actions were reported to the ARMC. These findings were deliberated together with Management at the ARMC meetings. The ARMC assessed the overall adequacy and effectiveness of the system of internal controls of the Group and reports to the Board, in particular, the matters relating to significant risks and the necessary recommendations for changes.</p> <p>To ensure the independence and the effectiveness of the Group's internal audit function, the ARMC had carried out the following oversight activities during the FPE 30 June 2022:-</p>

	<p>(a) Reviewed the adequacy of the scope and areas of coverage of risk-based Internal Audit Plan for the Group and the proposed internal audit fee for the FPE 30 June 2022 to ensure comprehensive coverage over the activities of Parlo Group and made the necessary recommendations to the Board for approval;</p> <p>(b) Reviewed the Internal Audit Reports for the FPE 30 June 2022 containing the audit findings on the areas of concern and recommendations highlighted by the Internal Auditors to improve on the identified weaknesses in the system of internal control or non-compliance issues and the respective Management responses thereto, and made the necessary recommendations to the Board for approval;</p> <p>(c) Reviewed the progress updates on the follow-up review of the previous Internal Audit Reports reported by the Internal Auditors to ensure that all highlighted key risks and control weaknesses are being properly addressed; and</p> <p>(d) Reviewed and assessed the adequacy of the scope, functions, competency and resources of the outsourced Internal Auditors for the FPE 30 June 2022 and ensured that they have the necessary authority to carry out their work.</p> <p>The ARMC reviews the adequacy of the scope, functions, competency and resources of the internal audit function to ensure that it is adequately resourced with competent and proficient Internal Auditors.</p> <p>The ARMC also carries out an assessment on the performance and independence of the outsourced internal audit function and the effectiveness of the Group’s risk management and internal control systems on an annual basis and report such assessment findings to the Board for consideration.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

Intended Outcome

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 Group's independent internal audit function is outsourced to Talent League Sdn Bhd ("Talent League"). The independent professional internal audit firm and its engagement team personnel have affirmed that they are free from any relationships or conflicts of interest which could impair their objectivity and independency of the internal audit function, and does not have any direct operational responsibility or authority over any of the activities audited in relation to the Group or the Company.</p> <p>The internal audit function is independent and performs audit assignments with impartiality, proficiency and due professional care. Talent League carries out their review procedures in accordance with the applicable standards of the International Professional Practices Framework as adopted and recommended by The Institute of Internal Auditors Malaysia, covering the conduct of the audit planning, execution, documentation, communication of findings and consultation with key stakeholders on the audit concerns, as well as applicable regulatory rules and practices, such as ACE LR of Bursa Securities, Companies Act 2016, and the Malaysian Code on Corporate Governance.</p> <p>The details and profile of Talent League as the Internal Auditors of the Group and the Company who carries out the principal role of the Group's internal audit function for the FPE 30 June 2022 are set out as follows:-</p> <p>Date of appointment: 12 February 2018</p> <p>Principal Engagement Director: Mr Roy Thean</p> <p>Qualifications:</p> <ul style="list-style-type: none">• Member of the Malaysian Institute of Accountants• Member of the Malaysian Institute of Certified Public Accountants• Member of the Institute of Internal Auditors Malaysia

	<p>Experiences: Mr Roy Thean has over 20 years of working experience in local and international professional services firms. His work encompasses a wide range of professional services with his core practice being in corporate finance and advisory work for transaction support services including business valuations, financial due diligence, preparation of business plans and financial modelling, internal control and business risk review, corporate governance, risk management, merger or acquisition related services, internal and external auditing.</p> <p>Number of resources: Talent League deployed 2 to 3 personnel per audit review.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

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 recognises the importance of being transparent and accountable to its stakeholders and as such, maintains an active and constructive communication policy that enables the Board to communicate effectively with shareholders/investors, the financial community and public.</p> <p>The Group leverages on several formal channels for effective dissemination of information to shareholders and other stakeholders, particularly through Annual Report, quarterly financial results, announcements to Bursa Securities, circulars, General Meetings and the Company's website, so that the shareholders are constantly kept abreast on the Group's progress and developments.</p> <p>The Company maintains a dedicated Investor Relations section on the Company's website to facilitate access to pertinent information concerning the Group and its operations, by the shareholders, consumers, and general public. Announcements, news, and all relevant updates are posted on the Company's website regularly. Continuous improvement and development of the website will be undertaken by the Company to ensure easy and convenient access.</p> <p>The Company's General Meetings, i.e. AGM or any Extraordinary General Meeting ("EGM") serve as the principal forum for dialogue with shareholders. There is a "question and answer" session in which shareholders are encouraged to participate and pose questions regarding the resolutions being proposed at the meeting and also on matters relating to the Group's businesses and affairs. They will be allowed seek more information or clarification from the Board and/or Key Senior Management team on the proposed resolutions during the meeting. The External Auditors of the Company will also be present at the AGM to provide their professional and independent clarification on any issues and concerns raised by 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

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 Notice of 24th AGM of the Company was issued to the shareholders and published on a nationally circulated newspaper on 28 May 2021, i.e. at least 28 days prior to the date of the 24th AGM, to provide shareholders ample time to read through the Annual Report. The Notice of General Meeting provides explanation for the resolution proposed along with the relevant background information and reports or recommendation, where required and necessary, to enable shareholders to make an informed decision in exercising their voting rights.</p> <p>In addition to the explanatory notes to the ordinary and special business as stated in the Notice of the 24th AGM, the Company also included explanatory notes to the shareholders regarding their entitlement to attend the AGM and their rights to appoint a proxy as well as facilitating shareholders' understanding of the proposed resolutions and their effects.</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>Due to the COVID-19 situation and restrictions imposed by the Government on physical meetings, General Meetings of the Company were conducted on a fully virtual basis through live streaming via Online Meeting Platform operated or hosted by the relevant service providers in Malaysia during the FPE 30 June 2022.</p> <p>All Directors of the Company at that time being were present at the respective General Meetings held by the Company during the financial period under review, in order to engage directly with shareholders and to respond to any questions raised by the shareholders that fall under the purview of the relevant Board Committees or Board.</p> <p>The Chairman of the Meeting ensured that sufficient opportunities are given to shareholders and proxies to raise questions relating to the affairs of the Company and that adequate responses were given before the resolutions were tabled.</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>In view of the COVID-19 pandemic which led to the lockdowns implemented by the Malaysian Government, the Company took the necessary precaution and preventive measures in complying with the directives issued by the Malaysian Government by leveraging information technology in conducting its 24th AGM and EGMs on a fully virtual basis, to facilitate the shareholders to participate at the meetings remotely. All resolutions set out in the respective Notice of 24th AGM and EGMs were put to vote electronically (e-vote) by way of poll.</p> <p>The General Meetings that were conducted virtually provided an opportunity for shareholders to participate remotely at the meeting and pose relevant questions to the Chairman and the Board via real time submission of typed texts. Nonetheless, the shareholders are still entitled to appoint proxy/proxies to vote on their behalf in their absence at the virtual AGM and/or EGM.</p> <p>The entire AGM and EGMs proceedings and poll voting were held through Remote Participation and Voting facilities via Online Meeting Platform operated or hosted by the relevant service providers in Malaysia.</p> <p>The Company recognises that cyber threats are constantly evolving, becoming increasingly sophisticated and complex due to factors, amongst others, the increasing demand across the industry and customer expectations for continued expansion of services delivered over the internet; increasing reliance on internet-based products, applications and data storage; and remote working in response to the COVID-19 pandemic. As such, the Company acknowledges the need to continuously improve its monitoring and control of cyber threats through effective security measures and protocols.</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	: The Company's AGM and EGMs provides an avenue and a direct channel of communication with shareholders. Shareholders are encouraged to participate in the Questions and Answers session on the proposed resolutions or about Parlo Group's financial performance and business operations in general during the General Meetings. They will be allowed to raise questions or seek more information or clarification from the Board and/or Key Senior Management team on the proposed resolutions during the meeting. The Board and/or the Senior Management will endeavour to answer as many questions as possible, if any, raised by the shareholders with concise responses.
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 has leveraged information technology in conducting its 24th AGM and EGMs on fully virtual basis during the financial period under review, to encourage and facilitate the shareholders to participate at the AGM and EGMs remotely and the voting of all the resolutions table at the respective General Meetings were carried out electronically (e-voting) by way of poll and the votes casted were validated by an independent scrutineer appointed by the Company.</p> <p>The General Meetings that were conducted virtually provided an opportunity for shareholders to participate remotely at the meeting and pose relevant questions to the Chairman, the Board or the Senior Management via real time submission of typed texts during the questions and answers session thereat.</p> <p>The Chairman of the Meeting ensured that sufficient opportunities are given to shareholders and proxies to raise questions relating to the affairs of the Company and that adequate responses were given before the resolutions were tabled.</p> <p>The Administrative Guide for the 24th AGM and EGMs with detailed registration and voting procedures together with the Notice of the respective General Meetings and the proxy form in respect thereto were sent or shared to the shareholders in timely manner. The aforesaid documents were also uploaded or published on the Company's website for ease of access by the public.</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

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	:	All minutes of the General Meetings held by the Company during the FPE 30 June 2022 were uploaded to the Company's website at http://www.parlogroup.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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