

# Statement of Corporate Governance

The Board recognises the importance of good corporate governance in ensuring that the interest of the Company, shareholders and other stakeholders are protected. The Board is committed to an established framework for governance and controls that are consistent with the principles and best practices recommended in the Malaysian Code on Corporate Governance 2021 (the “Code”) and other applicable laws, regulations and guidelines.

Below, the Board is pleased to report the extent to which the Group has abided by principles of good corporate governance outlined in the Code, and where possible, applied the best practices recommended in the Code.

## **Principle A – Board Leadership and Effectiveness**

### **1. Board Responsibilities**

#### **1.1. Roles and Duties of the Board**

The Board’s role is to conduct the Group in the best interests of the shareholders. In this regard, the Board is collectively responsible for setting the strategic direction and ethical standards within the Group, and ensuring that management complies with the Board’s directions. To discharge its duties to shareholders and other stakeholders, the Board assumes, among others, the following responsibilities:

- (i) Review and monitor the implementation of the strategic business plans by the management;
- (ii) Align and approve the corporate objectives and policies of the Group;
- (iii) Appoint and approve the terms of reference of the Audit Committee, Remuneration Committee and Nomination Committee;
- (iv) Decide on the acceptable level of risk exposure for the Group;
- (v) Review the Group’s system of internal controls which include the establishment of an appropriate control environment framework for identifying, evaluating and managing significant risks faced by the Group;
- (vi) Review and assess the Group’s financial and operational performances of all operating units and subsidiaries through periodic feedback and reports from the Audit Committee and the management team;
- (vii) Review and approve the announcement of quarterly and annual financial statements to ensure that the financial statements are drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view;
- (viii) Approve annual operating budget, major capital expenditures, material purchase and disposal of assets;

- (ix) Appoint external auditors as well as determine audit fees, taking into consideration advice from the Audit Committee;
- (x) Ensure the availability of communication channels for effective feedback and dialogue with stakeholders of the Group;
- (xi) Ensure succession planning is in place as part of business continuity and take cognisance that there should be a process of developing suitable programmes in place to ensure that operations at all levels are running smoothly; and
- (xii) Any other duties as may be appropriate.

The Board meets regularly to discuss matters within its scope of responsibilities. The Board Committees, namely Audit Committee (“AC”), Nomination Committee (“NC”) and Remuneration Committee (“RC”) are entrusted with specific responsibilities to oversee the Group’s affairs, with authority to act on behalf of the Board in accordance with their respective terms of reference. The Chairman of the various Board Committees will report to the Board on key issues deliberated by the Board Committees at their respective meetings.

## **1.2. Role of Chairman and Director**

The role of the Chairman and the Managing Director are distinct and separate to ensure there is balance of power and authority. The roles of Board Chairman and Managing Director are held by Tan Sri (Dr) Sow Chin Chuan and Mr Edward Sow Yuen Seng respectively.

The Chairman leads the Board. He leads board meetings, encouraging and facilitating the discussion and integration of views from all members. The Chairman is also responsible to ensure that communication channels between the Board and stakeholders remain open, so that feedback from the internal and external environment (including performance reports from management) can be incorporated for Board consideration and discussion. The Chairman, as leader of the Board, should spearhead the establishment and implementation of ethical, prudent and professional behavior within the Group, in line with good corporate governance practices.

On the other hand, the role of the Managing Director (“MD”) is focused on the day-to-day management of the Group.

The MD, assisted by the management team, is responsible for:

- (a) Assisting the Board in overseeing the day-to-day operations of the Group;
- (b) Ensuring the implementation of all approved policies and procedures and formulating plans to achieve the Group’s corporate objectives;
- (c) Selecting and appointing suitable candidates to the management team who will translate the Group’s corporate objectives and policies into detailed business plans and implementation of those plans;
- (d) Ensuring the implementation and effectiveness of internal controls, to monitor and safeguard the Group’s financial and other resources; and
- (e) Maintaining a high level of employee effectiveness, ethics and morale.

The MD, Executive Directors and management are accountable to the Board, and are expected to fulfil their responsibility through the provision of reports, briefings and presentations on a regular basis throughout the year.

Separation of the positions of the Chairman and the MD is defined in the Board Charter.

### **1.3. Responsibilities of Company Secretary**

The Board is supported by a qualified and competent Company Secretary who advises the Board on its roles and responsibilities; facilitating the orientation of new Directors and Board communications; assisting in Directors' training and development; monitoring corporate governance developments and assisting the Board in applying governance practices to meet the Board's needs and stakeholders' expectations as well as serving as a focal point for stakeholders' communication and engagement on corporate governance issues.

Matters pertaining to statutory and regulatory compliance that affect the Group such as advising the Board on corporate disclosures and compliance with Company and securities regulations and MMLR will be advised by Company Secretary. The Board Members have unlimited access to the professional advice and services of the Company Secretary.

The Company Secretary also manages and attends all Board and Board Committee meetings, as well as annual general meetings ("AGM"), and ensures that meetings are convened according to necessary procedures, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained accordingly.

### **1.4. Meeting Materials**

The Chairman recognises the importance of a board discussions and together with Company Secretary ensure that all directors are provided with sufficient information and time to prepare for board meetings. The meeting materials is circulated five (5) business days in advance of the board meeting. All board members are responsible to ensure the minutes of meetings accurately reflects the deliberations and decision of the board. Upon conclusion of the meeting, the minutes are circulated in a timely manner for review.

## **2. Board Charter**

The Board has developed and adopted a formal Board Charter to provide clear guidance on the roles, responsibilities, processes and operations of the Board. The document is provided as compulsory reading material for the induction of new Board members and senior management. The Board Charter is further supplemented by Terms of Reference ("TOR") of the Audit Committee, Nomination Committee and Remuneration Committee which specify the composition, rights, key functions, roles and responsibilities of respective committees.

The Board Charter and the Terms of Reference of its committees are reviewed regularly to ensure they remain consistent with the Board's objectives, current law and best practices. During the year, no revision was made to the Board Charter.

The Board Charter was formalised by the Board. It defines the composition of the Board, the responsibilities of the Chairman and Managing Director, the rights of the Board to establish committees to assist in carrying out its duties and responsibilities, the procedure for convening Board meetings, investor relations and shareholders communication, access to information and independent advice and ensures that the Code is observed by all Directors and employees of the Group. The Board Charter is available for reference in the [www.dpsland.com](http://www.dpsland.com).

### **3. Code of Conduct and Ethics**

The Group has established a Code of Conduct and Ethics (“Internal Code”) that is applicable to all its Directors and employees. The Internal Code outlines core areas of concern and states the behavioural expectations to which Directors and Employees are to adhere, in order to ensure that a high standard of ethical and professional conduct is upheld at all times in the performance of their duties and responsibilities.

Violation of the Internal Code can result in disciplinary action, which may include termination of employment. As part of its enforcement, any Director or employee who knows of, or suspects, a violation of the Internal Code is encouraged to report such concerns to the Audit Committee or management.

In addition, in line with the Company’s commitment in nurturing and maintaining a culture of openness, integrity and accountability, the Company has also established a Whistleblowing Policy. The Whistleblowing Policy provides an avenue for individuals, whether a Company employee or otherwise, to escalate concerns about unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements to the appropriate parties, without fear of reprisal.

The Internal Code and the Whistleblowing Policy are available for reference in the [www.dpsland.com](http://www.dpsland.com).

### **4. Board Composition**

The Board presently consists of 8 members; comprising an Executive Chairman, 4 Executive Directors and 3 Independent Non-Executive Directors. Collectively the Board has a mix of industry-specific knowledge and technical skills which are necessary for the leadership and management of the Group. The composition of the Board is such that it provides an effective check and balance in the functioning of the Board and is reviewed from time to time to ensure its appropriateness. There is balance in the Board represented by the presence of 3 independent non-executive directors who will review and discuss the strategies proposed by the management to ensure that the long-term interests of minority shareholders are taken into consideration.

#### **4.1. Independence of Director**

The Board undertakes an annual assessment of the independence of its independent directors based on the criteria developed by the NC.

The tenure of an independent director is capped at a cumulative term of 9 years. An independent director who has served the Group for 9 years may, in the interest of the Group, continue to serve the Group but in the capacity of a non-independent director. The Board must justify and seek shareholders’ approval in the event it retains as an independent director, a person who has served in that capacity for more than 9 years.

In the event that the Board deems it beneficial to the Group to retain an independent director beyond 9-year tenure, it will need to justify the recommendation to shareholders and seek shareholders’ approval at a general meeting. Such shareholder approval must be given via a two-tier voting process, which entails separate and congruent approvals from Large Shareholder(s) and shareholders other than the Large Shareholder(s).

Large Shareholders means a person who:-

- (i) is entitled to exercise, or control the exercise of, not less than 33% of the voting shares in the Company;
- (ii) is the largest shareholder of voting shares in the Company;
- (iii) has the power to appoint or cause to be appointed a majority of the directors of the Company; or
- (iv) has the power to make or cause to be made, decisions in respect of the business or administration of the Company, and to give effect to such decisions or cause them to be given effect to.

None of the Independent Non-Executive Director of the Company has been in office as Independent Director for more than nine (9) years.

#### 4.2. Nomination Committee

The NC comprises exclusively of Independent Non-Executive Directors. Its members are:-

- 1) Mea Fatt Leong (Chairman)  
*Independent Non-Executive Director*
- 2) YBhg. Prof Datuk Dr Raduan Che Rose  
*Independent Non-Executive Director*
- 3) YBhg. Dato Dr Jalaluddin Bin Harun  
*Independent Non-Executive Director*

The NC operates under its Terms of Reference, which is available on the Company's website. Its primary responsibility is to ensure that the overall composition of the Board is sufficient for the Board to carry out its functions, which included:

- (i) Identifying and recommending to the Board suitable candidates for appointment based on considerations of the candidates' skills mix, experience, expertise, character, integrity, gender and ethnicity (where appropriate);
- (ii) Evaluating and recommending training programmes for Directors;
- (iii) Assessing Directors' individual performances and independence during the year for recommendations of re-nomination; and
- (iv) Reviewing and recommending succession plans for Directors and senior management.
- (v) Review of the Proposed Directors Fit and Proper Policy for adoption by the Board.

In FY 2024, the NC convened one (1) meeting. Attendance of the meeting is set out below:

NC Member	No. of meetings attended	Percentage
Mea Fatt Leong	1/1	100%
YBhg. Prof Datuk Dr Raduan Che Rose	1/1	100%
YBhg. Dato Dr Jalaluddin Bin Harun	1/1	100%

#### **4.3. Board Diversity**

The Board recognises that diversity in Board composition is beneficial for effective discussion and weighing of management issues. The Board and NC strives, in the appointment and re-appointment of Board members, to maintain an optimal balance in terms of members' background, knowledge and expertise, as well as in terms of demographic indicators such as age, gender and ethnicity. Currently, there are two (2) female members sitting on the Board, standing at 25% of overall Board composition. Two (2) out of Eight (8) of the Board Members is Malay, representing 25% of Board composition.

The Board notes the importance of diversity in the composition of the Board as well as management, however in seeking to fill its vacancies, priority is placed on the knowledge, skills and expertise of potential candidates to yield the optimal synergy with existing members of the Board and staff. Where suitable candidates are found in future, the Board may seek to increase representation from female members and members of different races.

#### **4.4. Board Nomination and Election**

The appointment of a new Board member is subject to deliberation and approval from the entire Board, with input from the NC. The process of Board nomination and election is as set out below:-

- (i) The NC determines qualities required of the candidate, which typically include a specific area of expertise, knowledge, experience, character, independence, gender and ethnicity. At this stage, emphasis is placed on the mix of skill and persona that would best complement the existing Board for optimal effectiveness;
- (ii) The NC identifies potential candidates by seeking applications from suitably qualified individuals;
- (iii) The NC interviews selected candidates, setting up a two-way communication so that incoming candidates are clearly informed about the time commitments and other requirements of the role, to manage expectations from both sides; and
- (iv) The NC evaluates candidates based on the required skill set and persona, subsequently recommends shortlisted candidates to the Board for discussion and approval.

The NC acknowledges the principle outlined in Guidance 5.5 of the Code, and in the event that vacancies become available on the Board in future, will broaden its recruitment efforts for new Directors to include a wider range of sources.

#### **4.5. Board Re-election and Re-appointment**

All Directors of the Group are to offer themselves for re-election three (3) years after being appointed into office. Eligibility for Director re-election is subject to satisfactory findings from the assessment by the NC and the Board, upon which such Directors may be offered for re-election by the Group shareholders at the subsequent AGM.

At least one-third (1/3) of the Board are to retire from office at each AGM. The Constitution of the Company provides that the Directors with the longest tenure since their most recent appointment shall retire.

## 5. Board Assessment

The NC has in place a formal evaluation process to assess the effectiveness of the Board as a whole, the Board Committees and the performance of each individual Director on an annual basis.

The criteria used for the annual assessment of the Board and Board Committees includes composition and structure, principal responsibilities, processes, adequacy of information, succession planning and governance. For individual Directors, criteria include an assessment on their roles and duties, contributions to interaction, knowledge, integrity and independence.

The evaluation involves individual Directors completing questionnaires regarding the processes of the Board and its Committees, their effectiveness and where improvements can be considered. They also undertook a self-review and peer review in which they assessed fellow Directors' performance. The results were compiled and analysed by the Company Secretary and presented at board meeting. There was no engagement of independent third party in carry out board evaluation.

With regards to the assessment for FYE 2024, the Board was satisfied upon completing its assessments that the Board had discharged its duties and responsibilities effectively. The Board also concluded that the Board composition in terms of size, mix of skills and balance between Executive, Non-Executive and Independent Directors were satisfactory.

## 6. Foster Commitment

### 6.1. Time Commitments

The Board expects members to commit to fulfil their responsibilities, which includes both attending Board meetings and Continuing Education Program ("CEP"). Incoming candidates are clearly informed of time commitments and restrictions on accepting or holding other directorships by the NC prior to being nominated for Board consideration.

A total of five (5) Board meetings were conducted during the financial year ended 31 March 2024. Details of the attendance of Directors at these board meetings are as follows:-

Directors	No. of meetings attended	Percentage
Tan Sri (Dr) Sow Chin Chuan	5/5	100%
Puan Sri Chu Kim Guek	5/5	100%
Edward Sow Yuen Seng	5/5	100%
Emily Sow Mei Chet	5/5	100%
Mea Fatt Leong	4/5	80%
YBhg. Prof Datuk Dr Raduan Che Rose	5/5	100%
YBhg. Dato Dr Jalaluddin Bin Harun	5/5	100%
Eugene Sow Chuan Sheng (appointed w.e.f 5 December 2023)	1/1	100%

In addition, as disclosed in the Director profiles, none of the Directors hold more than five (5) directorships in other public-listed companies. Where Directors are considering accepting new directorships during their tenure on the Board, they are required to inform the Chairman and NC, bearing in mind the maximum number of directorships allowed under the Bursa Main Market Listing Requirements. Directors are required to update the Board on directorships held during the annual assessment conducted by the NC.

## 6.2. Continuing Education Programs

The Board recognises that its members are expected to complete the CEP annually. The NC assesses the performance and existing knowledge of Directors and recommends training programs that best complement their capabilities, so that the overall Board composition is able to keep abreast on trends and matters related to the business and compliance matters of the Group.

Training programs attended by the Directors during the year are set out below:-

Director	Date	Title of training program
Tan Sri (Dr) Sow Chin Chuan	15 June 2023	Seminar on Sustainable Moulding By Matsui
	3 October 2023	Webinar: Invitation to Management of Cyber Risk Programme by Ernst & Young
	22 November 2023	Global Elite Network by Huazhong
	27 – 29 November 2023	500 EMBA in Shenzhen, China
Eugene Sow Chuan Sheng	25 - 26 March 2024	Bursa Malaysia Mandatory Accreditation Programme
	29 – 31 March 2024	The Entrepreneurial Mindset
Emily Sow Mei Chet	18 July 2023	Managing Probationer and Orientation Effectively
	29 August 2023	Advanced Content Marketing - AI Tools and Digital Campaign Planning
	28 - 30 September 2023	Strategic planning operating system

Directors who did not attend training in 2024 were mostly due to their tight schedule and for some reasons. There was also a general dearth of topics relevant to their roles due to their seniority.

In addition, Directors' education also includes briefings by the Internal Auditors, External Auditors and the Company Secretaries on the relevant updates on statutory and regulatory requirements from time to time during the Audit Committee and Board Meetings.

## 7. Remuneration Committee & Policies

The remuneration of Directors falls under the responsibility of the Remuneration Committee ("RC"). Members of the RC currently include:

- Mea Fatt Leong (Chairman)  
*Independent Non-Executive Director*
- YBhg. Prof Datuk Dr Raduan Che Rose  
*Independent Non-Executive Director*
- YBhg. Dato Dr Jalaluddin Bin Harun  
*Independent Non-Executive Director*



The Group's remuneration policy strives to maintain a strong linkage between performance and reward, at the same time to offer remuneration packages attractive enough to recruit and retain talent. The RC operates based on its Terms of Reference, which is available on the [www.dpsland.com](http://www.dpsland.com).

The RC is tasked to review annually the performance of the Directors and submit recommendations to the Board on specific adjustments in remuneration and/or reward payments that reflect individual Directors' respective contributions for the year, and which depend on the performance of the Group, achievement of the goals and/or quantified organisational targets as well as strategic initiatives set at the beginning of each year. The RC, whilst establishing the appropriate levels of the Directors' remuneration package for the financial year 2024, has considered the information in the salary survey of comparator listed companies provided from external sources and information from sources within the Company, taking into account external market data, conditions within the business and performance of the Group.

Board remuneration is decided by the Board collectively. Individual Directors are to abstain from deliberation and decision-making on their own remuneration package. Individual Directors who are shareholders are made to abstain from voting at general meetings to approve their own fees.

During the year, the RC convened one (1) meeting. Attendance of the meeting is set out below:

RC Member	No. of meetings attended	Percentage
Mea Fatt Leong	1/1	100%
YBhg. Prof Datuk Dr Raduan Che Rose	1/1	100%
YBhg. Dato Dr Jalaluddin Bin Harun	1/1	100%

The aggregate remuneration packages paid or payable to Directors are disclosed as follows:-

**Group level:**

	Fees (RM'000)	Emoluments (RM'000)	Defined Contribution Plan (RM'000)	Total (RM'000)
<b>Executive Directors</b>				
Tan Sri (Dr) Sow Chin Chuan	-	1,801	342	2,143
Edward Sow Yuen Seng	-	238	27	265
Eugene Sow Chuan Sheng	-	68	9	77
Puan Sri Chu Kim Guek	-	102	19	121
Emily Sow Mei Chet	-	-	-	-
Eric Sow Yong Shing	-	160	19	179
Edmund Sow Yong Ming	-	69	8	77
Tay Wee Kee	-	74	9	83
<b>Non-Executive Directors</b>				
Mea Fatt Leong	14	-	-	14
YBhg. Prof Datuk Dr Raduan Che Rose	24	-	-	24
YBhg. Dato Dr Jalaluddin Bin Harun	14	-	-	14

Range of Remuneration	Executive	Non-Executive	Total
50,000 and below	1	3	4
50,001 to 100,000	3	-	3
100,001 to 150,000	1	-	1
150,001 to 200,000	1	-	1
200,001 and above	2	-	2

**Company level:**

	Fees (RM'000)	Emoluments (RM'000)	Defined Contribution Plan (RM'000)	Total (RM'000)
<b>Executive Directors</b>				
Tan Sri (Dr) Sow Chin Chuan	-	1,201	228	1,429
Edward Sow Yuen Seng	-	238	27	265
Eugene Sow Chuan Sheng	-	45	6	51
Puan Sri Chu Kim Guek	-	102	19	121
Emily Sow Mei Chet	-	-	-	-
<b>Non-Executive Directors</b>				
Mea Fatt Leong	14	-	-	14
YBhg. Prof Datuk Dr Raduan Che Rose	24	-	-	24
YBhg. Dato Dr Jalaluddin Bin Harun	14	-	-	14

Range of Remuneration	Executive	Non-Executive	Total
50,000 and below	1	3	4
50,001 to 100,000	1	-	1
100,001 to 150,000	1	-	1
150,001 to 200,000	-	-	-
200,001 and above	2	-	2

While the Code's Principles A III has prescribed for individual disclosure of top five senior management's remuneration packages, the Board has considered and is of the view that the transparency and accountability aspects of corporate governance applicable for top five senior management's remuneration are adequately served by the disclosure as total of RM 462,200 with contribution plan at RM63,910.

Range of Remuneration	Senior Management	Total
50,000 and below	-	-
50,001 to 100,000	2	2
100,001 to 150,000	2	2
150,001 to 200,000	1	1
200,001 and above	-	-

## **Principle B – Effective Audit and Risk Management**

### **8. Audit Committee**

The Audit Committee (“AC”) consists exclusively of Independent & Non-Executive Directors, and is made up of the following members:-

- 1) Mea Fatt Leong (Chairman)  
*Independent Non-Executive Director*
- 2) YBhg. Prof Datuk Dr Raduan Che Rose  
*Independent Non-Executive Director*
- 3) YBhg. Dato Dr Jalaluddin Bin Harun  
*Independent Non-Executive Director*

Mr. Mea Fatt Leong is a member of the Malaysian Institute of Accountants (“MIA”) as well as a member of the Malaysian Institute of Certified Public Accountants and the Chartered Tax Institute of Malaysia (“CTIM”).

The AC operates according to its Terms of Reference, which can be found on the Company’s website. A full Audit Committee Report detailing its composition and work during the year is set out on pages 44 to 46 of this Annual Report.

#### **8.1 Role of Chairman of the Audit Committee**

The Chairman of the Audit Committee and Chairman of the board shall not be the same person due to their distinctive role where Chairman of the Audit Committee is responsible for ensuring the overall effectiveness and independence of the Audit Committee.

The Chairman of the Audit Committee together with other members of the Audit Committee should ensure among others that–

- (i) the Audit Committee is fully informed about significant matters related to the company’s audit and its financial statements and addresses these matters;
- (ii) the Audit Committee appropriately communicates its insights, views and concerns about relevant transactions and events to internal and external auditors;
- (iii) Audit Committee’s concerns on matters that may have an effect on the financial or audit of the company are communicated to the external auditor; and
- (iv) there is co-ordination between internal and external auditors.

#### **8.2 Membership**

All members of the Committee are financially literate and have sufficient understanding of the Company’s business.

### **8.3 Compliance with Applicable Financial Reporting Standards**

In preparing and presenting the financial results and annual reports of the Group, the Board strives to provide an accurate and balanced representation of the financial performance and position of the Group during and as at the end of the financial year. In this regard, the Board is assisted by the AC, which oversees the process of preparing the quarterly and annual reports of the Group. The AC strives for a high level of vigilance towards the detection of anomalies or irregularities in the financial statements. The members of the AC understand that it is their responsibility to ensure that the financial reports provide a true and fair view of the Company's financial position and performance, and as such they adopt a critical view to ensure accuracy, completeness, timeliness and relevance of the processes, transactions and assertions included in the financial reports.

A full statement of Board acknowledging its responsibility in the preparation of the Group financial statements is provided in page 85 of this Annual Report. Activities carried out by the AC are set out in the Audit Committee Report below.

### **8.4 Assessment of Suitability and Independence of External Auditors**

The Company maintains a proper and transparent relationship with its external auditors through its AC. The effectiveness, performance and independence of the external auditor is reviewed annually by the Audit Committee. The lead audit partner is required to rotate after a maximum of five years. If it becomes necessary to replace the external auditor for performance or independence reasons, the responsibility for the selection, appointment and removal of the external auditor has been delegated to the Audit Committee by the Board pursuant to the External Auditor Policy.

During the year, the AC has reviewed and verified the suitability and independence of the external auditors, and as such has on 29 August 2024 recommended the re-appointment of the current external auditors for the financial year ended 31 March 2025.

The Audit Committee has considered the provision of non-audit services by UHY during the financial year under review and concluded that the provision of these services did not compromise their independence and objectivity as the amount of the fees paid for these services were not significant when compared to the total fees paid to the external auditors of RM94,600. The non-audit fees incurred for services rendered to the Group by the external auditors and its affiliates for the financial year ended 31 March 2024 amounted to RM5,000.

The written assurance from the external auditors with regards to their independence is set out in page 98 of this Annual Report. Other features of the relationship between the AC and the external auditors, including suitability and independence assessment procedures and tools, are disclosed in the Audit Committee Report and the External Auditors Assessment Policy available on the Company's website.

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## **9. Recognise and Manage Risks**

One of the Board's responsibilities, aside from providing strategic leadership, is also to ensure that appropriate risk management measures and internal controls are implemented throughout the Group to safeguard assets and protect shareholders' interests.

### **9.1 Risk Management Framework**

The risk management framework of the Group is overseen by the AC, which ensures that an annual risk management process is carried out to identify, evaluate and manage significant risks of the business. Findings from the process is compiled and tabled to the Board for review and evaluation. Items highlighted to the Board are disclosed in terms of severity, probability of risk occurring, effect of the risk should it occur, and actions currently being taken to mitigate or minimise the risk to acceptable level.

### **9.2 Internal Audit Function**

The internal audit function of the Group is outsourced to Indah Corporate Governance Sdn Bhd, which submits periodic reports directly to the AC covering its assessments of the financial, operational and compliance controls in place in the Group. Details of the Group's internal control system and framework are set out in the Statement on Risk Management & Internal Control in this Annual Report.

The director in charge of the internal audit of the Company for the current financial year is Tay Lee Hoon, who has more than 15 years' working experience in corporate consultancy, business process improvement, internal auditing and other assurance services. Assisted by Su Mei Yen, who has no less than 10 years' experience, she has obtained the requisite professional qualifications and is a member of Institute of Internal Auditors Malaysia ("IIA Malaysia"), MIA and ACCA.

The AC is responsible to ensure that the internal audit function is effective and able to function independently. The appointed internal audit firm and personnel are free from any relationships or conflicts of interest that could impair their objectivity and independence. The appointment and removal, role of internal auditor, scope of the internal audit function, performance evaluation and budget of internal audit are decided by AC and is set out in Audit Committee Report.

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**Principle C – Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders**

**10. Communication with Stakeholders**

The Board is cognisant that effective and timely communication is essential in maintaining good relationship with stakeholder and cultivating trust and understanding between the Group and stakeholders. Other than investor relations function, engagement forums and briefings, the Group leverage on information technology to create ease of access and convenience in all communications for stakeholder.

Announcements and other corporate disclosures issued by the Group can be accessed via the Bursa website ([www.bursamalaysia.com](http://www.bursamalaysia.com)). Annual reports of the Group are distributed to shareholders within 4 months from the close of the financial year, to give shareholders the most updated view of the Group's financial performance. Where corporate exercises are proposed for shareholders' approval, key documents including the Company's constitution, recent audited financial statements, adviser reports, material contracts and cause papers in respect of material litigation are made available for shareholder perusal.

The Board also duly notes the importance of maintaining a current library of updated corporate information available for public access. Further information regarding the updated website will be provided in due course as and when information becomes available.

In addition, the address and phone number of the Group is clearly disclosed in the annual report, so that concerned shareholders may easily contact the Group.

**11. Conduct of General Meetings**

General meetings are the main venue for dialogue between shareholders and management of the Company.

The Company dispatches notices of general meetings at least 28 days prior to the day of the event, informing shareholders of the meeting agenda, shareholders' entitlement to appoint proxies and the procedures of doing so. The prior notice shall include details of the resolutions proposed along with any background information and reports or recommendations that are relevant.

At the general meeting, Board and Top Management shall attend. The Chairman, Chair of Board Committees and Managing Director, as well as the external auditors and professional advisers, where applicable, are available to answer queries. Shareholders are encouraged to raise questions before matters on the agenda are put to a vote.

This Statement on Corporate Governance is made in accordance with the resolution of the Board dated 29 July 2024.

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