

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 2259  
**COMPANY NAME** : TALAM TRANSFORM BERHAD  
**FINANCIAL YEAR** : March 31, 2024

## OUTLINE:

### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

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

### **SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

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

## SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is fully responsible for the overall governance of the Group by promoting good corporate governance culture, providing strategic plans on business performance and sustainability, overseeing the proper conduct of business, risk management, internal control, succession planning, shareholders' communication, adequacy and integrity of financial and non-financial reporting, while the Management is accountable for the execution of the expressed policies and attainment of the Group's expressed corporate objectives and goals. This demarcation complements and reinforces the supervisory role of the Board to oversee the performance of the Management to ensure that the Group's business is properly managed.</p> <p>The Chairman ensures that decisions are taken on a sound and well-informed basis, by ensuring that all strategic and critical issues are considered by the Board, and that Directors receive the relevant information on a timely basis.</p> <p>The Executive Directors together with the Group Chief Executive Officer formulates strategic vision and business directions for the Company. The Directors also promote sustainability by ensuring that the strategic plan of the Company supports long-term value creation which includes strategies on economic, environmental, social and governance considerations.</p> <p>To ensure the senior management has the necessary skills, experience and personal attributes, the Executive Directors and Group Chief Executive Officer in assisting the Board had carried out annual performance assessment on the senior management staff. The Management's proposals which require Board's approval will be tabled at Board meetings for discussion and adoption prior to implementation. Any update on the proposals will be tabled at the</p>

	<p>Board meetings for notation.</p> <p>The quarterly financial reports are tabled to the Board within 2 months from the end of every quarter. Members of the Audit Committee and Board would seek clarification from the Management on the quarterly financial report during the Audit Committee and Board meetings.</p> <p>A Risk Management and Internal Control Framework was established for the Group. This framework encompasses the Board and senior management’s oversight in risk management of the Group and to ensure the Group’s business objectives are supported by a sound strategy that is directed by a clear risk appetite statement approved by the Board. The Risk Management Committee, in assisting the Board, will submit a yearly report on the risks positions of the Group.</p> <p>The Board has in place policies and procedures to promote good corporate governance such as Board Diversity Policy, Anti-Bribery and Corruption Policy, Code of Ethics and Conduct and Whistle Blowing Policy. On 23 November 2023, the Board had adopted a Conflict of Interest Policy.</p> <p>The Board is always guided by the Board Charter which outlines the duties and responsibilities and matters reserved for the Board in discharging its fiduciary duties. The Board Charter is reviewed and updated by the Board from time to time to ensure that it continues to remain relevant and appropriate. The Board Charter is available at the Company’s website at <a href="http://www.ttransform.com.my">www.ttransform.com.my</a>.</p> <p>In order to assist in the effective discharge of the Board’s duties and responsibilities for the Group, certain functions have been delegated by the Board to the following Board Committees:-</p> <ol style="list-style-type: none"> <li>(1) Audit Committee (assisted by the Internal Audit Department and Risk Management Committee)</li> <li>(2) Nomination Committee</li> <li>(3) Remuneration Committee</li> <li>(4) Executive Committee</li> </ol> <p>The Board Committees operate under clearly defined Terms of Reference and the Chairmen of the respective Board Committees report to the Board on the outcome of their meetings and for action by the Board, where appropriate.</p> <p>Annual Report is the key channel of communication with shareholders and other stakeholders. Another important avenue for communication and dialogue is the Annual General Meeting of the Company. Any Investor Relations matters are addressed to the Executive Director, Ms Chua Kim Lan and the Group Chief Executive Officer, Dato’ Mohamad Razali Bin Mohamad Rahim.</p>
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<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairman, Dato' Abdul Hamid Bin Mustapha is an independent non-executive member of the Board and he is responsible for the leadership, effectiveness, conduct and governance of the Board. In fulfilling this role, the Chairman:-</p> <ol style="list-style-type: none"> <li>(1) Lead the Board in establishing and monitoring good corporate governance practices in the Company.</li> <li>(2) Lead the Board and ensure effectiveness in all aspects of its role.</li> <li>(3) Ensure an efficient organisation and conduct of the Board's functions and meetings.</li> <li>(4) Facilitate the effective contribution of all Directors at Board meetings.</li> <li>(5) Chair Board meetings and encourage active participation and allowing dissenting views to be freely expressed and discussed.</li> <li>(6) Chair general meetings of the Company and provides clarification on issues that may be raised by the shareholders.</li> <li>(7) Promote constructive and respectful relations between Directors, and between the Board and Management.</li> <li>(8) Ensure effective communication with shareholders and relevant stakeholders.</li> </ol>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairman is Dato' Abdul Hamid Bin Mustapha while the Group Chief Executive Officer is Dato' Mohamad Razali Bin Mohamad Rahim and the Executive Directors are Ms Chua Kim Lan and Mr Chan Tet Eu, who are all holding separate positions and their respective roles and responsibilities are governed and clearly defined in the Company's Board Charter.</p> <p>The roles and responsibilities of the Non-Executive Chairman and the Executive Directors / Group Chief Executive Officer are distinct and separate to ensure that there is a balance of power and authority, such that no one individual has unfettered powers of decision making.</p> <p>The Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board, while the Executive Directors / Group Chief Executive Officer have overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions. The Executive Directors together with the Group Chief Executive Officer are responsible to ensure due execution of the strategic goals, effective operation within the Group, and to explain, clarify and inform the Board on matters pertaining to the Group.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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>	
<b>Application</b> :	Departure
<b>Explanation on application of the practice</b> :	
<b>Explanation for departure</b> :	The Chairman, Dato' Abdul Hamid Bin Mustapha who is an independent and non-executive member of the Board is also a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company.
	The Board Chairman is still able to contribute positively to the Company even though he is also a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b> :	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 1.5

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company Secretary, Mr Soo Kah Pik, is a qualified Company Secretary with a Practising Certificate from the Companies Commission of Malaysia and is a member of the Malaysian Institute of Accountants. He is also the Secretary for all the Board Committees.</p> <p>The Company Secretary has attended trainings and seminars to keep abreast of relevant statutory and regulatory requirements. In doing so, he can advise the Board on latest issues relating to corporate governance matters and relevant laws, rules and regulations affecting the Group as well as ensuring compliance with the statutory/regulatory requirements such as the Companies Act 2016, Main Market Listing Requirements and other regulatory bodies.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Timely circulation of proper notice of meetings together with the agenda and meeting materials of 5 clear days is to allow reasonable time for Directors to review the Board papers prior to the Board meetings and where necessary, to obtain further explanations from the senior management staff or Company Secretary. The Directors may also seek independent professional advice and information in furtherance of their duties at the Company's expense, so as to ensure they are able to make independent and informed decisions.</p> <p>Minutes of each Board meeting are circulated to all Directors in a timely manner for their perusal and thereafter, for confirmation at the next Board meeting. The signed Board minutes are then entered into the minute book kept by the Company Secretary.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company’s Board Charter clearly identifies the respective roles and responsibilities of the Board, Board Committees and individual directors including Executive Directors and Non-Executive Directors and Management. It also clearly identifies the issues and decisions reserved for the Board which include the approval of corporate plans and programmes, annual budgets and major capital commitments, new major ventures, material acquisitions and disposals of undertakings and properties, changes to the Management and control structure within the Group including key policies and delegated authority limits.</p> <p>The Board would regularly review this charter and the terms of reference of the Board Committees to ensure that they remain consistent with the Board’s objectives and responsibilities, relevant standards of corporate governance, new laws and regulations.</p> <p>The Board Charter is published on the Company’s website at <a href="http://www.ttransform.com.my">www.ttransform.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company's Code of Ethics and Conduct ("CEC") are applicable to all Directors and employees of the Group. All Directors and employees are required to read, understand and abide by the CEC.</p> <p>The main principles of the CEC include the following:-</p> <ol style="list-style-type: none"><li>(1) Avoid conflict of Interest</li><li>(2) Exercise caution and due care to safeguard confidential information</li><li>(3) Avoid insider trading</li><li>(4) Ensure accuracy and reliability of records</li><li>(5) Avoid discrimination or prejudice in the workplace</li><li>(6) Avoid acts of misconduct</li><li>(7) Protect assets and funds of the Group</li><li>(8) Avoid money laundering and fraudulent activities</li><li>(9) Prohibit bribery and corruption</li></ol> <p>The CEC which is published on the Company's website at <a href="http://www.ttransform.com.my">www.ttransform.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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### Intended Outcome

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

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

### Practice 3.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has established and adopted a Whistle Blowing Policy, to provide an avenue for raising concerns related to possible improprieties in matters of financial reporting, compliance and other malpractices at the earliest opportunity, in an appropriate manner and without fear of retaliation.</p> <p>The Whistle Blowing Policy provides the contact details of the Head of Internal Audit Department, as the avenue for stakeholders to raise the above concerns. The Audit Committee will review the report by the Head of Internal Audit Department on whistleblowing incidents report (if any) on a quarterly basis, as well as on a need basis should the status of such investigations warrant it. Where it is found that there is evidence of misconduct and wrongdoing, the Management and/or Audit Committee will take the necessary action immediately.</p> <p>The Whistle Blowing Policy is published on the Company's website at <a href="http://www.ttransform.com.my">www.ttransform.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Board together with the Management takes responsibility in managing the sustainability matters of the Group and has established a Sustainability Committee ("SC") which oversees the formulation, implementation and effective management of its sustainability matters and also ensures that they are in line with its business strategies. The SC is now chaired by the Group Chief Executive Officer, Dato' Mohamad Razali Bin Mohamad Rahim following the resignation of its former Chairman ie. Executive Director of Corporate Affairs, Mr Yaw Chun Soon on 15 August 2023. The existing members comprise of the Company's two Executive Directors, key senior management staff and operational managers. The Executive Directors and Group Chief Executive Officer will update the Board of the key economic, environmental, social and governance risks and opportunities.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Company will communicate with its internal and external stakeholders through stakeholder engagement on its sustainability strategies, priorities and targets, which is monitored closely and implemented by the Sustainability Committee (“SC”) to promote and effectively embed a culture of sustainability in its business activities. The SC will take into account the updated feedback from the stakeholders to determine if the identified material sustainability matters continue to be relevant to our business.</p> <p>The Company continuously identifies its key stakeholder groups and their respective areas of interest as well as methods by which the Group can engage with them.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Sustainability Committee (“SC”) is supported by various working groups responsible for implementing the initiatives within the organisation and periodically assesses the identified material sustainability matters to better understand the management of the risks and opportunities they present, including climate-related issues risks and opportunities. This will also ensure that the Group prioritises issues that have the greatest impact on the economy, environment, society and governance.</p> <p>In order to ensure the Board is always kept abreast with sustainability issues and have sufficient understanding in sustainability matters relevant to the Group and its business, Directors are updated by the SC periodically. They are also expected to attend sustainability related programmes to stay abreast and have better understanding of the sustainability issues, including climate-related risks and opportunities. During the financial year, the Directors attended an in-house sustainability related training entitled “Environment, Social &amp; Governance and Sustainability Reporting” which was organised by external consultant, Tricor Axcelasia Sdn Bhd.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In the annual performance evaluation of its Board members for financial year ended 31 March 2024, the Board has included a review of effort taken to address sustainability matters as a vital criterion. The Board was satisfied with its performance in addressing the sustainability issues of the Group. The criteria pertaining to the sustainability in the annual performance evaluation will be reviewed and enhanced from time to time to ensure its relevance.</p> <p>Each senior management staff on the Executive Committee is an employee of the Group who individually undergo annual performance appraisal conducted by their superiors. These appraisals, determination of ratings and the resulting level increments and performance bonus (if any) are conducted and determined after taking into account various factors including their contributions towards the Company's overall policies (including sustainability).</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### **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.*

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The Board has mandated the Group Chief Executive Officer, Dato' Mohamad Razali Bin Mohamad Rahim who is also the Chairman of the Sustainability Committee ("SC") to promote and embed sustainability in the Group. The SC prepares and carries out routine reporting at least once a year to the Board.

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Nomination Committee ("NC") ensures that the composition of the Board is periodically assessed to ensure it continues to be in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. During the financial year, the NC reviewed the size and composition of the Board based on a Board matrix which included the gender, age, skills, experience and knowledge of the Directors. The NC also reviews the evaluation process and evaluation forms for all Board members (including the Group Chief Executive Officer) in respect of the annual performance evaluation of the effectiveness of the Board, Board Committees and contribution of each individual Director. Based on the assessment, the NC and Board were satisfied with their performance and were of the view that their continued service would benefit the Company and its stakeholders.</p> <p>During the financial year, the NC were guided by the Directors' Fit and Proper Policy in their review and assessment of the appointment of the new independent directors namely Dato' Abdul Hamid Bin Mustapha, Mr Tai Keat Chai and Mr Ling Chee Min to replace the outgoing Independent Directors who have all resigned after serving for more than 12 years in the Company. The NC had recommended their appointment to the Board after satisfactory assessment that they possess the necessary quality and character as well as integrity, competency and commitment (including time commitment) to be appointed on board.</p> <p>The NC also reviewed and assessed the performance of the Directors who are to retire namely, Ms Chua Kim Land and Mr Tai Keat Chai but are eligible to seek for re-election at the forthcoming annual general meeting. The areas of assessment included their contributions during interaction, roles and duties, knowledge, integrity, governance, risk management and independence. Based on the assessment, the NC was satisfied with their performance and was of the view that their continued service would benefit the Company and its stakeholders. As such, the NC recommended to the Board, the Directors to be re-elected at the forthcoming annual general meeting.</p>

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

### 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.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	<p>As at 31 March 2024, the Board has 6 members comprising of 2 Executive Directors, 1 Non-Independent Non-Executive Director and 3 Independent Directors following the resignation of Mr Yaw Chun Soon, the Executive Director of Corporate Affairs on 15 August 2023. Hence, the representation of the Independent Directors on the Board has increased to 50%.</p> <p>Based on the new Board composition, the Company has complied with Chapter 15.02(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad to have at least 2 Directors or 1/3 of its Board, whichever is higher, to be Independent Directors as well as having at least half of its Board comprising of Independent Directors which is in line with the Malaysian Code on Corporate Governance 2021.</p>
<b>Explanation for departure</b>	:	<p>Please provide an explanation for the departure.</p> <p>Please provide an alternative practice and explain how the alternative practice meets the intended outcome.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board noted that Practice 5.3 of the Malaysian Code on Corporate Governance 2021 ("MCCG 2021") states that the tenure of an independent director shall not exceed a cumulative term of 9 years. However, upon completion of the 9 years' tenure in office, the director may continue to serve on the Board as an independent director but subject to shareholders' approval on an annual basis or continue to serve on the Board subject to re-designation as a non-independent director.</p> <p>As at to-date, none of the current Independent Non-Executive Directors of the Company have served more than 9 years on the Board. In line with the recommendation of MCCG 2021, the Company has adopted this best practice in its Board Charter.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.*

<b>Application</b> :	Not Adopted
<b>Explanation on adoption of the practice</b> :	



### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has established a Board Diversity Policy in guiding the Board on the appointment of new Board members and senior management.</p> <p>The current Directors have a diverse set of skills, experience, knowledge and independent elements to govern the Group. The Directors are professionals in the fields of property and construction, finance, accounting, tax and stockbroking. Together, they bring differences in perspective, knowledge, skill, industry experience and wide range of competencies to support the attainment of the Company's strategic objectives and sustainability development.</p> <p>In evaluating candidates for appointment to the Board, the Nomination Committee ("NC") and the Board will always evaluate and match the criteria of the candidates based on experience, skill, competency, knowledge, potential contribution and commitment (including time commitment) and boardroom diversity (including gender, ethnicity, cultural and age).</p> <p>Besides the Board Diversity Policy, the NC and the Board are also guided by the Directors' Fit and Proper Policy in their review and assessment of candidates as Board members and senior management.</p> <p>The Board Diversity Policy is published on the Company's website at <a href="http://www.ttransform.com.my">www.ttransform.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is responsible for the appointment of new Directors while the Nomination Committee (“NC”) is delegated with the role of screening and conducting initial selection before making recommendation to the Board.</p> <p>The NC is also empowered to bring to the Board, recommendations as to the appointment of any new director or to fill board vacancy as and when it arises. In making these recommendations, the NC will consider inter-alia, their skills, knowledge, expertise and experience, professionalism, integrity, commitment (including time commitment) and diversity including gender, ethnicity, age and race which the Directors should bring to the Board. The NC will also consider using independent sources other than relying on the recommendation from the existing Board members, Management and/or Major Shareholders, in identifying suitable candidates for appointment of directors in the future such as directors’ recruitment agencies when the need arises.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Company's Annual Report contained detailed profile of each Director such as nationality, gender, age, tenure of service, membership in board committees, directorship in other public companies, work experiences, education background, relationship with any of the Directors and/or Major Shareholders, whether there exists any conflict or potential conflict of interest as well as shareholdings in the Company.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The current Nomination Committee (“NC”) comprises exclusively of Independent and Non-Executive Directors and is chaired by Mr Ling Chee Min. The other members of NC are Dato’ Abdul Hamid Bin Mustapha and Mr Tai Keat Chai.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Company currently has one woman Director on its Board and has met the requirement imposed by Bursa Malaysia Securities Berhad pursuant to Paragraph 15.02 (1)(b) of the Main Market Listing Requirements, of having at least 1 woman director on its Board.</p> <p>The Board did not set any specific targets on gender diversity for the Company but will consider getting suitable women candidates who could meet the objective criteria, merit and with due regard for diversity in skills, experience, age, race, ethnicity and cultural background to join as Director. The Board will also consider sourcing suitably qualified women candidates as directors via independent sources such as director recruitment agencies.</p>
		<p>The Board will consider more women representative on the Board when the vacancies arise or suitable women candidates are to be identified in line with the Group's strategic objectives.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board currently has 1 woman director and 4 male directors aged between 39 to 78 while the key senior management comprise of 3 male staff aged between 62 to 64.</p> <p>The Board will consider appropriate targets in the achievement of its Board Diversity Policy including gender balance on the Board and Senior Management and will take necessary measures to meet these targets from time to time. The Board will consider more women representatives in the Board's composition for boardroom diversity when suitable women candidates become available.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## 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>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>The Board undertook annual performance evaluation of each individual Director, independence of the Independent Director, Board and Board Committees for the financial year ended 31 March 2024. The evaluation conducted was based on the Directors' Evaluation Form (including sustainability), Board Skills Matrix Form, Board &amp; Board Committee Evaluation Form and Independent Directors' Self-Assessment Checklist.</p> <p>The assessment criteria for the individual Directors included contributions during interaction, roles and duties, knowledge and integrity, governance and risk management whilst the criteria for assessing the independence of an Independent Director included the relationship between the Independent Director and the Group, tenure of appointment and his involvement in any significant transaction with the Group. The Board Committees are evaluated based on assessment criteria which include the right size and composition, effective recommendation and timely reporting to the Board, expertise, competence, experience and communication skill.</p> <p>Based on the results of the evaluation, the Board was satisfied with the overall performance and effectiveness of the Board and Board Committees as well as the individual Directors and independence of the Independent Directors. The areas identified for improvement were the Board mix and composition especially on the gender diversity and succession planning.</p>
<b>Explanation for departure</b> :	



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

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has established a Directors' Remuneration Policy and Employees' Remuneration Policy to attract and retain the right talent in the Board and senior management to meet the Group's long term objectives and enhance shareholders' value. This policy will provide clear and guiding principles for determining the remuneration of the Board and senior management which are aligned with the business strategy and long term objectives of the Company.</p> <p>The above policies will be reviewed periodically by the Remuneration Committee. A copy each of the Directors' Remuneration Policy and Employees' Remuneration Policy are available on the Company's website at <a href="http://www.ttransform.com.my">www.ttransform.com.my</a>.</p>
<b>Explanation for departure</b>	:	

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

<b>Measure</b> :		
<b>Timeframe</b> :		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has established a Remuneration Committee ("RC") to review and recommend matters relating to the remuneration of the Directors and Group Chief Executive Officer such as remuneration policy and reward framework which is aligned with the business strategy and long term objectives of the Company.</p> <p>The RC's Terms of Reference ("TOR") requires the RC to review and deliberate on the remuneration for the Directors and Group Chief Executive Officer who shall commensurate with their performance and contribution to the Company, and recommend to the Board for approval.</p> <p>The remuneration of the senior management will be reviewed and appraised by the Executive Directors together with the Group Chief Executive Officer.</p> <p>A copy of the Remuneration Committee's TOR is available on the Company's website at <a href="http://www.ttransform.com.my">www.ttransform.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The details of the remuneration received/receivable by the Directors of the Company (including the 3 former Independent Directors who resigned on 30 May 2023 and former Executive Director, Mr Yaw Chun Soon who resigned on 15 August 2023) for the financial year ended 31 March 2024 on named basis are disclosed in the attachment below and in the Corporate Governance Overview Statement of the Company's Annual Report 2024.</p> <p>The remuneration breakdown of the individual directors for the financial year ended 31 March 2024 included fees, salary, fixed monthly allowance, meeting allowance, benefits in-kind and other emoluments.</p>

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Abdul Hamid Bin Mustapha (Chairman) (Appointed on 30 May 2023)	Independent Director	20,833	102,500	-	-	-	583	123,916	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Tan Sri Dato' (Dr) Ir Chan Ah Chye @ Chan Chong Yoon (Demised on 11 June 2024)	Non-Executive Non-Independent Director	25,000	63,000	-	-	-	1,000	89,000	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Tai Keat Chai (Appointed on 30 May 2023)	Independent Director	20,833	52,500	-	-	-	583	73,916	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Ling Chee Min (Appointed on 30 May 2023)	Independent Director	20,833	52,000	-	-	-	583	73,416	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Chua Kim Lan	Executive Director	25,000	-	456,000	-	11,100	56,636	548,736	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
6	Chan Tet Eu	Executive Director	25,000	-	180,000	-	-	23,759	228,759	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
7	Yaw Chun Soon (Resigned on 15 August 2023)	Executive Director	9,375	-	170,387	-	22,764	20,758	223,284	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
8	Tsen Keng Yam (Resigned on 30 May 2023)	Independent Director	4,167	20,500	-	-	-	-	24,667	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Dato' Kamaruddin Bin Mat Desa (Resigned on 30 May 2023)	Independent Director	4,167	10,000	-	-	-	-	14,167	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Datuk Dr Ng Bee Ken	Independent Director	4,167	10,500	-	-	-	-	14,667	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

	(Resigned on 30 May 2023)															
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

### Intended Outcome

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

### Practice 8.2

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

<b>Application</b>	:	Departure												
<b>Explanation on application of the practice</b>	:													
<b>Explanation for departure</b>	:	<p>The Company had disclosed the top 5 senior management staff's remuneration for the financial year ended 31 March 2024 on aggregate basis without being named and in each successive band of RM50,000.00 as follows:-</p> <table border="0"> <thead> <tr> <th style="text-align: left;"><u>Range of Remuneration</u></th> <th style="text-align: center;"><u>Number of Top 5 senior management staff</u></th> </tr> </thead> <tbody> <tr> <td>RM100,001 to RM150,000</td> <td style="text-align: center;">3</td> </tr> <tr> <td>RM150,001 to RM200,000</td> <td style="text-align: center;">1</td> </tr> <tr> <td>RM700,001 to RM750,000</td> <td style="text-align: center;">1</td> </tr> <tr> <td><b>TOTAL</b></td> <td style="text-align: center;"><b>5</b></td> </tr> <tr> <td></td> <td style="text-align: center;">=====</td> </tr> </tbody> </table> <p>Note: Successive bands of RM50,000.00 are not shown entirely as they are not represented.</p> <p>The remuneration of the senior management staff includes salary, benefits-in-kind and other emoluments.</p> <p>The Company chose not to disclose the remuneration of the individual senior management on named basis as the Company believes this information will not add significantly to the understanding and evaluation of the Company's governance, and may also pose security risks.</p> <p>The transparency and accountability aspects of corporate governance applicable to the remuneration of these staff are deemed appropriately served by the above disclosures.</p>	<u>Range of Remuneration</u>	<u>Number of Top 5 senior management staff</u>	RM100,001 to RM150,000	3	RM150,001 to RM200,000	1	RM700,001 to RM750,000	1	<b>TOTAL</b>	<b>5</b>		=====
<u>Range of Remuneration</u>	<u>Number of Top 5 senior management staff</u>													
RM100,001 to RM150,000	3													
RM150,001 to RM200,000	1													
RM700,001 to RM750,000	1													
<b>TOTAL</b>	<b>5</b>													
	=====													
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>														

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



No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

**Intended Outcome**

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

**Practice 8.3 - Step Up**

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.1**

The Chairman of the Audit Committee is not the Chairman of the board.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Company complied with Practice 9.1 of the Malaysian Code on Corporate Governance 2021 which stipulates that the Chairman of Audit Committee is not the Chairman of the Board. This ensures that the objectivity of the Board's review of the Audit Committee's findings and recommendations is not impaired.</p> <p>The Audit Committee is chaired by an Independent Non-Executive Director, Mr Tai Keat Chai while the Board is chaired by Dato' Abdul Hamid Bin Mustapha who is also an Independent Non-Executive Director.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>None of the members of the Audit Committee (“AC”) was a former key audit partner of the Company in the last 3 years before being appointed as a member of the AC.</p> <p>The Terms of Reference of the Audit Committee has provided that any former key audit partner observes a cooling-off period of 3 years before being appointed as a member of the Audit Committee.</p> <p>The Audit Committee’s Terms of Reference is available on the Company’s website at <a href="http://www.ttransform.com.my">www.ttransform.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Audit Committee had assessed the suitability, objectivity and independence of the external auditor based on the External Auditors' Performance and Independence Checklist criteria such as their calibre, quality of services, sufficiency of resources, communication and interaction, independence, objectivity, professional skepticism and audit fees, for the financial year.</p> <p>The Company has also established an External Auditors Policy to outline the guidelines and procedures for the Audit Committee to assess and monitor the external auditor that has been with the Company for 16 years.</p> <p>In line with good corporate governance practices, the Audit Committee has met 3 times with the external auditor during the financial year in the absence of Executive Board members and Management to discuss audit plans, audit findings and financial statements of the Company in order to safeguard the quality and reliability of the audit financial statements.</p> <p>The Audit Committee had obtained written assurance from the external auditors confirming that they were, and had been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</p> <p>Based on the assessment of the external auditor's effectiveness and independence, the Audit Committee and the Board were satisfied with their performance, competence and independence and will recommend them to the shareholders for re-appointment at the forthcoming 99th Annual General Meeting.</p>
<b>Explanation for departure</b>	:	

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

<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	All the Audit Committee members comprised solely of Independent 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>All members of Audit Committee ("AC") are financially literate and are able to understand matters under the purview of the AC including financial reporting process to effectively discharge their duties. They have also been briefed by our external auditor of the latest accounting and audit standards applicable to the Group to keep themselves abreast of the relevant accounting developments during the financial year.</p> <p>An annual assessment and evaluation on the performance and effectiveness of the AC was undertaken by the Nomination Committee for the financial year ended 31 March 2024 via Audit Evaluation Questionnaire Form and Audit Committee Members' Self and Members Evaluation Form. The AC was assessed based on criteria such as effectiveness and quality, internal and external audit, risk management and internal control, and financial reporting while the AC members were assessed based on their interaction, roles and duties, knowledge and development, to determine whether the AC had carried out its duties in accordance with its terms of reference. Based on the annual assessment, the Nomination Committee and the Board were satisfied that the AC and its members have discharged their functions, duties and responsibilities in accordance with its terms of reference and have supported the Board in ensuring that the Group upholds appropriate standards of corporate governance.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges that risk management is an integral part of the Group’s business operations and is overall responsible for the establishment as well as the oversight of the Group’s risk management and internal control to manage the Group’s significant risks, to achieve the Group’s business and corporate objectives.</p> <p>A Risk Management Committee (“RMC”) which reports to the Audit Committee was set up to develop and maintain an effective risk management system for the Group. A structured process has been established to identify and assess risks arising from the Group’s operations, as well as the effectiveness of the control measures and internal control practices. The Board through the Audit Committee obtains the report from internal auditors regarding the periodic checks on the internal control system.</p> <p>The Executive Directors and Group Chief Executive Officer together with the Chief Financial Officer are responsible for managing the identified risks in accordance to regulatory guidelines and internal policies approved by the Board.</p> <p>The RMC meets at least once a year to deliberate on the findings of financial and non-financial risks and recommendations of internal controls improvements and risks mitigation.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Statement of Risk Management and Internal Control (“SORMIC”) is disclosed in the Company’s Annual Report 2024.</p> <p>The key features of the framework, as well as a discussion of the key risk areas faced by the Group, are disclosed in the SORMIC in the Annual Report 2024.</p> <p>Attestation has been made by the Board with regard to the adequacy and effectiveness of the framework.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has established an in-house Internal Audit Department (“IAD”) which assists the Audit Committee in the discharge of its duties and responsibilities. The role of the IAD is to provide independent and objective reports on the organisation’s management, records, accounting policies and controls to the Board.</p> <p>The internal audits include evaluation of the processes where significant risks are identified, assessed and managed. Such audits also ensure that instituted internal controls are appropriately and effectively implemented in order to achieve acceptable risk exposures consistent with the Group’s Risk Management and Internal Control Framework.</p> <p>During the financial year, the IAD has issued internal audit reports to the Audit Committee and the Management with regards to audit findings on the weakness in the system and controls of the operations, and recommendation of corrective measures to be implemented.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Internal Audit Department consists of 2 internal audit staff with relevant qualifications and experience in the internal audit functions. The Head of Internal Audit (“HIA”), Mr Chong Yoon Khong has completed Level 1 of the Association of Chartered Certified Accountants (ACCA) course and was formerly attached to the Accounts Department of the Group since 1993. He is also supported by an internal audit staff who has been in the Internal Audit Department of the Group for almost 14 years on top of the additional 4 years in similar field in another public listed company and hence, has the relevant qualification and experience in the conduct of the internal audit works.</p> <p>The internal audit staff are free from any relationships or conflict of interest or undue influence of others to override professional and business judgment, which could impair their objectivity and independence in conducting their internal audit functions. The independence of the internal audit function is derived from its direct reporting and unrestricted access to the Audit Committee. The HIA reports directly and functionally to the Audit Committee and ultimately to the Board, and administratively to the Executive Directors / Group Chief Executive Officer of the Company.</p> <p>The internal audit function is governed by an Internal Audit Charter that was approved by the Board. The charter sets out the objectives, authorities and scopes of the internal audit function. During the financial year, the internal audit function was carried out in accordance with the International Standards for the Professional Practice of Internal Auditing.</p>
<b>Explanation for departure</b>	:	



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

<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is aware of the need to establish corporate disclosure policies and procedures to enable comprehensive, accurate and timely disclosures relating to the Company, to the regulators, shareholders and stakeholders. The Company has identified the personnel authorised and responsible to approve and disclose material information to shareholders and stakeholders to ensure compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The Board has delegated the authority to the Executive Director, Ms Chua Kim Lan to approve all announcements for release to Bursa Securities. The Executive Director works closely with the Board, Group Chief Executive Officer, senior management and the Company Secretary who are privy to the information to maintain strict confidentiality of the information.</p> <p>The Board recognises the importance of transparency and accountability to its shareholders and hence, ensures that the shareholders and other stakeholders are informed of the financial performance and major developments in the Group by timely release of the quarterly financial results, material announcements, Circulars, Annual Reports and press releases. The Group believes that by consistently maintaining a high level of disclosure and extensive communication with its shareholders is vital for the shareholders and investors to make informed investment decisions.</p> <p>The Board also ensures shareholders are given the opportunity to speak and seek clarification during the Company's Annual General Meeting, which is an effective and transparent communication platform for them. Each item of special business included in the notice of the general meetings is accompanied by a full explanation of the effects of a proposed resolution.</p> <p>Investor relations activities such as meetings with fund managers &amp; analyst and interview by the media will be attended by the Executive Director, Ms Chua Kim Lan together with the Group Chief Executive Officer, Dato' Mohamad Razali Bin Mohamad Rahim.</p> <p>Apart from the mandatory announcements through Bursa Malaysia</p>

	Securities Berhad, the Company also maintains a website at <a href="http://www.ttransform.com.my">www.ttransform.com.my</a> which shareholders and investors can have access to information on the operations and business activities of the Group.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

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

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Notice of the 98th Annual General Meeting (“AGM”) was sent out to the shareholders on 31 July 2023, which was more than 28 days for holding the Company’s AGM on 26 September 2023. This is to allow shareholders sufficient time to make the necessary arrangements to attend and participate in person or by proxy.</p> <p>The Notice of the 98th AGM which sets out the business to be transacted at the AGM was also published in a major local newspaper. The notes to the Notice of the 98th AGM also provided the necessary explanations for each of the resolution proposed to enable the shareholders to make informed decisions when exercising their voting rights.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>All Directors attend the Company’s General Meetings. The Chairmen of the Audit Committee, Nomination Committee, Remuneration Committee, Executive Committee and Risk Management Committee are present at the meetings to provide responses if there are any questions addressed to them.</p> <p>At the 98th Annual General Meeting (“AGM”), all the Directors of the Company and Chairmen of the Audit Committee, Nomination Committee, Remuneration Committee, Executive Committee and Risk Management Committee as well as the external auditors attended the AGM to provide responses to questions from the shareholders.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	Please provide an explanation on how the practice is being applied.
<b>Explanation for departure</b>	:	The Company's 98th Annual General Meeting ("AGM") was held physically on 26 September 2023 at Pusat Konvensyen, Triumph Convention Centre which was located at our head office's premises. The venue is near the city centre and not in remote location. The Company held the 98th AGM physically to enable the Directors and Management to have better interaction and more meaningful discourse with its shareholders.
	:	The Company sends out Notice of the 98th AGM within appropriate and considerate timeframe and shareholders who could not attend the meeting physically could appoint a proxy(ies) to attend and vote on their behalf.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>The Company has used the Annual General Meeting ("AGM") as the avenue to communicate with its shareholders whereby they can speak or seek clarification pertaining to the business activities of the Group and Company from the Board and Management. The Chairman will ensure that the AGM is carried out in an orderly manner.</p> <p>The 98th AGM enabled the Board and Management to update shareholders of the progress and performance of the financial year's business and finances as well as provide some input on what the business and property market outlook would be like. The Company also received questions raised by the Minority Shareholders' Watch Group in relation to the strategy and financial performance of the Group and corporate governance issues which were submitted prior to the AGM, and their questions and our answers were presented to shareholders at the 98th AGM.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	



**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>	
<b>Application</b> :	Not applicable – only physical general meetings were conducted in the financial year
<b>Explanation on application of the practice</b> :	
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

**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>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The Minutes of the 98th Annual General Meeting (“AGM”) held on 26 September 2023 which documented the proceedings, issues and concerns raised by the shareholders, and the responses by the Company, were made available on the Company’s website at <a href="http://www.ttransform.com.my">www.ttransform.com.my</a> within 30 business days after the conclusion of the 98th AGM, so as to provide useful information to shareholders and investors especially for the shareholders who were absent from the AGM.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

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

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

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