

CORPORATE GOVERNANCE REPORT

STOCK CODE : 3069
COMPANY NAME : MEGA FIRST CORPORATION BERHAD
FINANCIAL YEAR : December 31, 2023

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors assumes a pivotal role in guiding the Company and the Group towards sustainable growth and success. Through diligent oversight and strategic leadership, the Board shoulders the responsibility for shaping the organization's trajectory and ensuring its performance aligns with established goals. The following are key responsibilities entrusted to the Board:</p> <ol style="list-style-type: none">1. Strategic Direction: The Board spearheads the development of a robust strategic framework that charts the course for the Group's future endeavors. By articulating a clear vision and direction, the Board provides guidance to management and ensures alignment with overarching objectives.2. Financial Oversight: It diligently reviews capital budgets and tracks their execution, utilizing pertinent financial metrics to gauge progress and performance. This ongoing monitoring ensures prudent financial management and allocation of resources in line with strategic priorities.3. Business Sustainability: The Board critically evaluates key business issues and strategies aimed at enhancing long-term sustainability. By scrutinizing operational practices and market dynamics, it fosters resilience and adaptability to navigate evolving challenges and opportunities.4. Performance Reviews: Regular quarterly assessments enable the Board to gauge the Group's performance against predefined benchmarks and objectives. This systematic review process facilitates timely course corrections and fosters accountability across the organization.5. Risk Management and Internal Controls: The Board oversees the adequacy and effectiveness of the Group's risk management

	<p>framework and internal control systems. By ensuring robust safeguards and reliable management information, it mitigates risks and safeguards stakeholder interests.</p> <p>6. Management Succession and Talent Development: Periodic assessments of management succession and the calibre of key executives are conducted to nurture a pipeline of capable leadership. This proactive approach ensures continuity and fosters a culture of talent development within the organization.</p> <p>7. Stakeholder Communication: The Board oversees the implementation of effective communication strategies with shareholders and stakeholders, fostering transparency and trust. Through structured investor relations programs and regular engagement initiatives, it ensures alignment of interests and enhances stakeholder confidence.</p> <p>In adherence to established policy, the Board exercises discretion over material capital expenditures, projects, acquisitions, or divestitures, underscoring its commitment to prudent decision-making and risk management. Furthermore, Directors are expected to uphold the highest standards of professionalism, integrity, and ethical conduct, thereby safeguarding the Company's reputation and performance.</p> <p>The Board operates within the framework outlined in the Board Charter, which delineates its duties responsibilities, and matters reserved for its consideration. To enhance its effectiveness, the Board delegates specific issues to Board Committees, each operating within defined terms of reference. These Committees conduct in-depth analysis and make recommendations to the Board, supporting informed decision-making while ensuring ultimate accountability remains with the Board itself.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

Intended Outcome

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

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	:	Applied
Explanation on application of the practice	:	The Board, led by an experienced Executive Chairman assisted by the Non-Executive Deputy Chairman is made up of twelve (12) members of whom four (4) are Executive Directors, six (6) are Independent Directors and two (2) Non-Independent Non-Executive Directors. The Executive Chairman leads the Board and ensures that appropriate discussion takes place and relevant opinions among Board members are forthcoming. In addition, the Chairman chairs all shareholder meetings and ensures orderly conduct of these proceedings and adequate opportunity is given for shareholder engagement on the business of these meetings. The Executive Chairman also oversees the business affairs of the Group and is responsible for leading the Management in the execution of policies and strategies approved by the Board. The roles and responsibilities of the Chairman are clearly set out in the Board Charter which is available on the Company's website at www.mega-first.com .
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Executive Chairman essentially functions as Chief Executive Officer and Chairman of the Board. He leads the Board and ensures that appropriate discussion takes place and relevant opinions among Board members are forthcoming. In addition, the Chairman chairs all shareholders' meetings and ensures orderly conduct of these proceedings and adequate opportunity is given for shareholder engagement on the business of these meetings. The Executive Chairman also oversees the business affairs of the Group and is responsible for leading the Management in the execution of broad policies and strategies approved by the Board.</p> <p>The fact that the Executive Chairman is also the single largest shareholder, there is the advantage of shareholder leadership and a natural alignment of interests. He has shown tremendous commitment and had played an integral role in the stewardship of the Group.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Board is comfortable that there is no undue risk of potential conflict of interest. There are also no material related party transactions during the year. In addition, the Independent Directors who constitute half of the Board, provides for effective oversight over management and ensures that there is independence of judgement.
Timeframe	:	Others

Intended Outcome

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

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	The Chairman of the Board is Mr Goh Nan Kioh. He is not a member of the Audit Committee, Nominating Committee and Remuneration Committee. The Chairman was not invited to attend all these committees' meetings. To instil good corporate governance practice, the such requirement is incorporated in the Board Charter.
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	:	Applied
Explanation on application of the practice	:	<p>During the financial year ended 31 December 2023, the Board was supported by the services of a professionally qualified and competent Company Secretary, who has accumulated more than 20 years of working experience in company secretarial services. She is an Associate member of the Malaysian Institute of Chartered Secretaries and Administrators.</p> <p>The Company Secretary attends all meetings of the Board and its Committees, and ensure that meetings are properly convened, all Directors receive timely information in advance prior to the meeting as well as accurate and proper records of the proceedings and resolution passed are taken and maintained. Additionally, the Company Secretary advises the Board on any updates relating to new statutory and regulatory requirements pertaining to the duties and responsibilities of Directors.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	: Applied																												
Explanation on application of the practice	<p>The dates for Board and Board Committees meetings and the Annual General Meeting for the financial year are scheduled in advance before the end of each financial year to facilitate the Directors' time management.</p> <p>Prior to the Board meeting, all Directors will receive the agenda and a set of Board papers containing information for deliberation at the Board meetings.</p> <p>Minutes of each Board meeting are circulated to all Directors prior to the confirmation of the minutes to be done at the commencement of the following Board meeting. The Directors may request for clarification or raise comments before the minutes are confirmed as a correct record of the proceedings of the meeting.</p> <p>During the year ended 31 December 2023, five Board meetings were held and the attendance record of each Director is as follows:-</p> <table><thead><tr><th><u>Name of Director</u></th><th><u>Attendance</u></th></tr></thead><tbody><tr><td>Goh Nan Kioh</td><td>5 out of 5</td></tr><tr><td>Tay Kheng Chiong</td><td>5 out of 5</td></tr><tr><td>Goh Nan Yang</td><td>5 out of 5</td></tr><tr><td>Goh Mei Sze</td><td>5 out of 5</td></tr><tr><td>Khoo Teng Keat</td><td>5 out of 5</td></tr><tr><td>Yeow See Yuen</td><td>5 out of 5</td></tr><tr><td>Dato' Koh Hong Sun (Retired on 24 May 2023)</td><td>2 out of 2</td></tr><tr><td>Datuk Hj. Pengiran Saifuddin bin Pengiran Tahir, JP</td><td>5 out of 5</td></tr><tr><td>Jesper Bjorn Madsen</td><td>5 out of 5</td></tr><tr><td>Dato' Setia Prof Dr Tan Hui Meng</td><td>4 out of 5</td></tr><tr><td>Datin Jeyanthini a/p M. Kannaperan</td><td>3 out of 5</td></tr><tr><td>Au Siew Loon</td><td>5 out of 5</td></tr><tr><td>Lui Soek Kuen (Appointed on 1 September 2023)</td><td>1 out of 1</td></tr></tbody></table>	<u>Name of Director</u>	<u>Attendance</u>	Goh Nan Kioh	5 out of 5	Tay Kheng Chiong	5 out of 5	Goh Nan Yang	5 out of 5	Goh Mei Sze	5 out of 5	Khoo Teng Keat	5 out of 5	Yeow See Yuen	5 out of 5	Dato' Koh Hong Sun (Retired on 24 May 2023)	2 out of 2	Datuk Hj. Pengiran Saifuddin bin Pengiran Tahir, JP	5 out of 5	Jesper Bjorn Madsen	5 out of 5	Dato' Setia Prof Dr Tan Hui Meng	4 out of 5	Datin Jeyanthini a/p M. Kannaperan	3 out of 5	Au Siew Loon	5 out of 5	Lui Soek Kuen (Appointed on 1 September 2023)	1 out of 1
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Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company’s website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied	
Explanation on application of the practice	:	<p>The adoption and periodic review of the Board Charter since 2014 demonstrate the commitment of the Board to uphold principles of governance and accountability within the organization. By ensuring regular updates, the latest in 2023, the Board underscores its dedication to maintaining relevance and effectiveness in guiding Directors and Management in their roles.</p> <p>The Board Charter serves as a foundational document, offering clear directives and principles that govern the stewardship of both the Group and the Company. It provides a comprehensive framework covering key areas, amongst others, Code of Ethics and Conduct, matters reserved for the Board, Board size and composition, appointment and re-election of Directors, independence of Directors, tenure of independent director, Board evaluation and performance, roles of the Executive Chairman, Executive Directors, Board and Board committees, and conflict of interest disclosures. The Board Charter provides guidance and clarity for Directors and Management in their stewardship of the Group and Company. The Board Charter is available on the Company’s website, www.mega-first.com.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied	
Explanation on application of the practice	:	The Company adopts the Employee Code of Conduct and Disciplines ("COCD"). The COCD is embedded in the Employee Handbook. All employees always have access to the Employee Handbook in a shared server. The Employee Code of Conduct and Disciplines is available on the Company's website, www.mega-first.com .	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Group is committed to achieving and maintaining the highest standard of work ethics in the conduct of business. The Group encourages its employees to raise genuine concerns about possible improprieties (misconduct or criminal offence) to the attention of the Board. All whistle-blowing reports are addressed to the Chairman of the Audit Committee ("AC") of the Board. The Whistle-blowing Policy is available for reference on the Company's website, www.mega-first.com .	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>As per the Board Charter, a fundamental responsibility of the Company's Board is to provide leadership and direction to the Group, aiming to enhance shareholder value and ensure sustainable long-term development and growth.</p> <p>The Group's sustainability management is governed by the Group's Sustainability Policy, established by the Board in March 2022, with the latest update in September 2023. Each core component of sustainability - business, social, and environmental - is clearly outlined to serve as the basis for the Group's sustainability management.</p> <p>A formal governance structure is established within the Group's Sustainability Policy, defining the roles and responsibilities of the Board, the Sustainability Executive Committee, Executive Directors, Group Sustainability Committee and Division Sustainability Teams. The Board holds ultimate responsibility and oversight for group-wide sustainability management, including integrating sustainability into strategy setting and daily operations, and aligning remuneration with sustainability performance.</p> <p>The Group's Sustainability Governance Structure consists of:</p> <ul style="list-style-type: none">a) Sustainability Executive Committee, led by Executive Directors and division managing directors, providing overall direction and reporting to the Board;b) Group Sustainability Committee, comprising representatives from the Group and each division, supported by relevant departments to drive performance; andc) Division Sustainability Teams, comprising working groups from each division, tasked with implementing sustainability strategies, policies, and goals.

	<p>The Sustainability Executive, reporting directly to the Executive Directors, is responsible for monitoring stakeholder engagement activities, FTSE Russell ESG and Carbon Disclosure Project (CDP) exposure and rating, and overseeing sustainability strategies and targets during the reviewed financial year. During quarterly meetings of the Group’s Sustainability Committee, the Sustainability Executive presented Key Sustainability Updates. Representatives from different departments and divisions, including the Human Resources department, Resources Division, Renewable Energy Division and Packaging Division reported on initiatives aligned with the Group's ESG goals. The Group Sustainability Committee also discussed upcoming initiatives and progress for the next quarter based on these reports.</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

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

Practice 4.2

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.

<p>Application</p>	<p>: Applied</p>
<p>Explanation on application of the practice</p>	<p>: The Board diligently reviews and approves the Group’s Sustainability Report annually prior to its publication. This comprehensive Sustainability Report encapsulates the Group’s sustainability strategies, priorities, targets, and performance.</p> <p>Our commitment to sustainability is communicated transparently to both internal and external stakeholders through various channels tailored to different stakeholders' needs and concerns. For customers, communication channels such as emails, calls, meetings, and website interactions facilitate discussions on pricing, product quality, timely delivery, and innovation. These engagements lead to proactive measures to address concerns, including audits to ensure adherence to ethical standards and regular satisfaction surveys to maintain customer engagement.</p> <p>Employees are engaged through performance appraisals, training sessions, and briefings, focusing on aspects like performance evaluation, benefits, work-life balance, and safety. These interactions not only address immediate concerns but also foster a culture of continuous improvement and development within the organization.</p> <p>Government and regulatory bodies are engaged through compliance reports, dialogue sessions, and participation in industry events. Discussions center around regulatory compliance, community investment, environmental management, and ethical business practices. Timely reporting and collaboration with regulatory authorities ensure alignment with legal requirements and contribute to responsible business conduct.</p> <p>Engagement with the local community primarily involves outreach programs aimed at addressing community needs, such as investment opportunities, job creation, charitable activities, and environmental protection efforts. These initiatives strengthen relationships with the community and contribute to the overall well-being of society.</p> <p>Suppliers and business partners are engaged through meetings, emails, and calls, focusing on areas such as capability development, innovation, and ethical practices. Collaborative efforts, including regular contract</p>

	<p>reviews and joint development projects, strengthen partnerships and drive mutual growth and success.</p> <p>Shareholders and investors are kept informed through briefings, annual general meetings, and regular announcements. Key topics of discussion include financial performance, business strategy, and transparency. Enhanced transparency and regular updates build trust and confidence among shareholders and investors, while also highlighting the company's commitment to sustainability and ethical business practices.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

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

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied
Explanation on application of the practice	:	<p>Our sustainability performance is rigorously overseen by the Board of Directors, who hold ultimate responsibility for our organizational performance. With a keen eye on sustainability, the Board exercises oversight across a spectrum of sustainability topics, including overall sustainability risks and material issues identified through our comprehensive materiality assessment.</p> <p>The Board receives formal updates on the Group’s sustainability matters and performance on a quarterly basis, ensuring continuous alignment with our sustainability objectives. While the Board sets the strategic direction, day-to-day management of sustainability-related issues is delegated to the Group Sustainability Executive (GSE) and designated representatives within each division.</p> <p>To foster ongoing dialogue and collaboration, our Group Sustainability Committee convenes quarterly, providing a platform for divisions to exchange insights, share best practices, and align efforts towards achieving our overarching Environmental, Social, and Governance (ESG) goals. These meetings play a pivotal role in shaping our sustainability priorities, expectations, and action plans.</p> <p>Throughout the year, we took significant strides in enhancing our sustainability framework by updating several key Group policies, notably the Group Sustainability Policy. These updates not only reaffirm our unwavering commitment to sustainability but also serve as guiding principles for responsible operations and robust corporate governance across all facets of our business.</p> <p>In addition to the Sustainability Policy, we have revised and reinforced other essential policies such as the Diversity and Inclusion Policy, Human Rights Policy, Responsible Sourcing Policy, and Water Management Policy. Each of these policies is meticulously crafted to uphold ethical standards, promote inclusivity, and mitigate environmental impact, reflecting our steadfast dedication to sustainable business practices.</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 4.4

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

Application	: Applied
Explanation on application of the practice	<p>The Board emphasizes the critical importance of sustainability across all facets of its business operations. Recognizing sustainability as a cornerstone of responsible corporate governance, the Board is deeply committed to integrating sustainability principles into its strategic decision-making processes. To ensure effective oversight and management of sustainability risks and opportunities, the Board conducts regular evaluations of its own performance, as well as that of Senior Management.</p> <p>The Board places significant emphasis on assessing its effectiveness in addressing MFCB's material sustainability risks and opportunities. This evaluation is conducted through a rigorous Board Effectiveness Evaluation process, which allows for a comprehensive review of the Board's performance in fulfilling its sustainability-related responsibilities. Through this evaluation, the Board identifies areas of strength and areas for improvement, enabling it to refine its approach and enhance its effectiveness in driving sustainable business practices.</p> <p>Similarly, Senior Management's performance in addressing sustainability concerns is subject to annual performance appraisals. These assessments provide valuable insights into the extent to which sustainability considerations are integrated into the decision-making processes and operational strategies of the organization. By evaluating the performance of Senior Management in relation to sustainability, MFCB ensures that sustainability remains a key priority at all levels of the organization, from the Boardroom to the operational frontlines. This commitment to accountability and transparency underscores MFCB's dedication to sustainable business practices and its role as a responsible corporate citizen in the global community.</p>
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

Application	:	Adopted
Explanation on adoption of the practice	:	A Sustainability Executive Committee which comprise of Executive Directors and Managing Directors of each Division, assisted by the Sustainability Executive is established to provide dedicated focus on sustainability matters.

Intended Outcome

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

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p>One of the responsibilities of the Nominating Committee is to assess and evaluate the appointment and re-appointment of board members for the Company. This evaluation is conducted in accordance with the Fit and Proper Policy and the Policy on Nomination and Assessment Process of Board Members. Based on this evaluation, the committee then recommends candidates to the Board for their consideration and decision, in line with the Terms of Reference of the Nomination Committee.</p> <p>After undergoing an assessment and selection process which included satisfying the fit and proper criteria, the Board, upon the recommendation of the Nominating Committee, approved the appointment of Ms Lui Soek Kuen as Independent Non-Executive Director on 1 September 2023. Pursuant to Clause 123 of the Company's Constitution, Ms Lui Soek Kuen will retire at the forthcoming 58th Annual General Meeting and eligible for election at the 58th AGM.</p> <p>Pursuant to Clause 118 of the Company's Constitution, Mr Goh Nan Kioh, Datuk Hj. Pengiran Saifuddin bin Pengiran Tahir and Ms Goh Mei Sze will retire at the 58th AGM and eligible for re-election at the 58th AGM. The Nomination Committee has reviewed and assessed the performance of each retiring Directors and based on the review and assessment, the Nomination Committee is satisfied with their performance and contributions and recommended to the Board for their re-election for shareholders' approval at the 58th AGM.</p> <p>Further, as part of the annual board evaluation, the tenure of the individual members of the Board was assessed during financial year by the Nomination Committee in term of contribution and support brought by the members of the Board on the oversight responsibilities and development of the Company's strategies. In addition, individual directors' contribution to the proper governance of the Board and required skill, knowledge and competency were assessed by the Nomination Committee via Board Evaluation and Effectiveness during financial year. Based on the above evaluations, the Nomination Committee and the Board were satisfied of the current board composition and the tenure of each director were able to fulfil the</p>

	current and future needs of the Group for long term business sustainability.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board, led by an experienced Executive Chairman, is made up of twelve (12) members of whom four (4) are Executive Directors, six (6) are Independent Directors and two (2) Non-Independent Non-Executive Directors. The current composition of the Board achieved the minimum requirement of at least half of the board comprises independent directors. However, the current composition does not meet the requirement for Large companies, which is the board comprises a majority of independent directors.</p> <p>The current composition of the Board satisfies the minimum prescribed requirement in the MMLR 15.02(1) which states that “a listed issuer must ensure that at least 2 directors or 1/3 of the board of directors of a listed issuer, whichever is the higher, are independent directors.”.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The NC will continue sourcing for suitable independent candidate(s) to join the Board. Any appointment to the Board will be based on skills, diversity, knowledge and experience.
Timeframe	:	Within 3 years

Intended Outcome

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

Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Applied
Explanation on application of the practice	:	<p>The Nominating Committee ("NC") conducts an annual review of the independence of Directors in accordance with the criteria outlined in the Malaysian Code on Corporate Governance ("MMLR"). As part of this evaluation process, each Independent Director completes a self-assessment declaration form containing questions derived from the MMLR. The NC then evaluates these declarations and presents its findings to the Board for consideration.</p> <p>The Board maintains a policy regarding the tenure of Independent Directors, emphasizing that as long as an Independent Director remains independent and continues to positively contribute to the Group, they shall be retained regardless of the duration of their service. However, if the cumulative period exceeds nine years, annual shareholders' approval via two-tier voting is required.</p> <p>Datuk Hj. Pengiran Saifuddin bin Pengiran Tahir, JP, an Independent Non-Executive Director, has served the Board for approximately 9 years. The NC reviewed his performance based on the Board Effectiveness Evaluation for FY2023 and the Fit and Proper Policy, and concluded that he remains unbiased, objective, and independent in expressing his opinions and participating in board decisions.</p> <p>The Board and the NC are satisfied that Datuk Hj. Pengiran Saifuddin bin Pengiran Tahir, JP's tenure has not compromised his unbiased judgment or his ability to fulfil his role effectively. With his extensive expertise in various domains, including legal and management, he continues to contribute positively to board deliberations. His diligent attention to his duties and dedication to serving the Company's best interests and its shareholders were duly noted and appreciated.</p> <p>The Board therefore recommends to the shareholders of the Company to retain Datuk Hj. Pengiran Saifuddin bin Pengiran Tahir as Independent Director via a two-tier voting process in the upcoming 58th AGM.</p>

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

Intended Outcome

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

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied
Explanation on application of the practice	:	<p>With a view to achieve a sustainable and balanced development, the Company sees increasing diversity at the Board and Senior Management levels as an essential element in supporting the attainment of its strategic objectives and its sustainable development. The Board considers diversity from different aspects, including age, gender, educational and cultural background, ethnicity, nationalities, professional experience, skills, knowledge and length of service. Additionally, the Group will continue with equal employment opportunity policy that goes beyond gender in terms of promoting diversity in our business.</p> <p>The Board considers that the Executive and Non-Executive Directors collectively bring the range of skills, knowledge, independence and experience necessary to direct the Company. The members of the Board with their combined experience and skills in business operations and development, management and professional experience enable the Board to provide stewardship and oversight of the Company.</p> <p>A Directors' Fit and Proper Policy was adopted in 2022 which sets out the approach, guidelines and procedures to ensure that a formal, rigorous and transparent process is adhered to for the appointment, re-appointment and/or re-election of the Directors of the Group upon recommended by the NC. The said policy is available on the Company's website, www.mega-first.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied
Explanation on application of the practice	:	<p>The Nomination Committee (NC) bears the crucial responsibility of providing impartial recommendations for Board appointments, among its various duties. In fulfilling this role, the NC leverages recommendations from Directors, Management, and external entities, including esteemed head hunters. Each appointment to the Board is meticulously made on the basis of merit, with a primary focus on assembling a dynamic blend of skills, expertise, experience, and backgrounds, inclusive of considerations such as diversity and gender representation. Additionally, the selection process carefully assesses the candidate's capacity to balance competing time commitments, especially if they hold multiple board positions.</p> <p>The Board is committed to composing individuals with diverse backgrounds, each equipped with the knowledge and experience necessary to make sound business judgments and recommendations. These individuals possess a keen ability to grasp the broader landscape, proactively raise pertinent queries, and contribute to the achievement of the Company's overarching objectives.</p> <p>The process of the nomination is available in the Policy on Nomination and Assessment on Board Members which was adopted in March 2022. The said policy is available on the Company's website, www.mega-first.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied
Explanation on application of the practice	:	<p>The recommendation for the re-election of Directors at the forthcoming 58th Annual General Meeting (AGM) was conducted by the Nominating Committee in adherence to the Policy on Nomination and Assessment Process of Director and Key Senior Management, as well as the Re-Appointment of Director and Fit and Proper Policy.</p> <p>During the review process, Directors seeking re-appointment abstained from participating in discussions or decisions related to their own re-appointment, ensuring impartiality and transparency. Recommendations for re-appointment were made to the Board only after a thorough assessment of fit and proper criteria, conflict of interest checks, independence evaluations (for Independent Directors), and performance evaluations conducted by the Nomination Committee.</p> <p>Based on the evaluation process and the satisfactory outcomes of fit and proper assessments, conflict of interest checks, independence evaluations, and performance evaluations, the Board is confident that the Directors seeking re-appointment for the forthcoming AGM meet the necessary criteria outlined in the fit and proper policy. These criteria include, but are not limited to, character and integrity, experience and competence, and time and commitment.</p> <p>To ensure transparency and enable informed decision-making by shareholders, disclosures regarding the interests, positions, or relationships of individual Directors that may influence or reasonably be perceived to influence their independent judgment and ability to act in the best interests of the Group will be provided in the notes accompanying the notice of the 58th AGM.</p> <p>In light of the thorough evaluation process and the satisfactory results obtained, the Board recommends to shareholders the re-appointment of these Directors for the forthcoming AGM, with confidence in their ability to continue contributing effectively to the Group's success.</p>

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

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The NC is chaired by Datin Jeyanthini A/P M. Kannaperan, an Independent Director.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board highly esteems diversity as a fundamental criterion in its candidate selection process for Board membership. Acknowledging the pivotal role gender diversity plays in fostering a dynamic boardroom environment, the Board emphasizes that the selection criteria will continue to prioritize a robust amalgamation of competencies, skills, traits, extensive experience, and knowledge to fortify the Board's effectiveness.</p> <p>While the Board has refrained from setting explicit gender diversity targets, it remains persistent in its commitment to fostering diversity and inclusivity in both its composition and decision-making processes. Moving to this end, the Board ensures that female candidates are consistently included in the shortlisting process for vacancies within the Group, affirming its dedication to cultivating a diverse and representative leadership team.</p> <p>The Board currently has three (3) women directors, representing 25% of total board, namely Datin Jeyanthini a/p M. Kannaperan, Ms Lui Soek Kuen and Ms Goh Mei Sze. The Board will maintain at least three women Directors and will actively work towards having a minimum of 30% women as members of the Board.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The NC will continue sourcing for suitable female candidate(s) to join the Board. Any appointment to the Board will be based on skills, diversity, knowledge and experience.
Timeframe	:	Within 3 years

Intended Outcome

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

Practice 5.10

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

Application	:	Applied	
Explanation on application of the practice	:	The Board values diversity as a factor in selecting candidates to serve on the Board. The Board recognises that gender diversity is of importance to boardroom diversity. Nevertheless, the normal selection criteria based on an effective blend of competencies, skills, characteristics, extensive experience and knowledge to strengthen the Board will remain a priority. As such, the Board has not set specific gender diversity targets but is committed to ensuring diversity and inclusiveness in its composition and deliberations. However, females have always been included in the shortlisting process of candidates for vacancies within the Group.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>									
Application	: Applied								
Explanation on application of the practice	: <p>Securities Services (Holdings) Sdn Bhd was engaged to conduct Board Evaluation and Effective (BBE) for FY2022. Hence, the next round of evaluation by independent expert will be in FY2025.</p> <p>Nevertheless, for FY2023, BBE was conducted internally. A set of questionnaires which consisted of evaluations by the Board, Board Committees, self and peer assessment as well as independent directors’ assessment were developed to maximise the effectiveness and performance of the Board in the best interests of the Group. The areas covered were as follows:</p> <table border="1" data-bbox="571 1272 1407 1637"> <thead> <tr> <th>Evaluation</th> <th>Assessment Criteria</th> </tr> </thead> <tbody> <tr> <td>Board of Directors</td> <td>Board mix and composition, quality of information and decision making, boardroom activities, strategy governance and monitoring role, Board’s relationship with the Management and Environmental, Social and Governance (“ESG”)/Sustainability</td> </tr> <tr> <td>Board Committee</td> <td>Board Committees’ composition, boardroom activities and key responsibilities</td> </tr> <tr> <td>Individual Director</td> <td>Individual Directors’ fit and proper, contribution and performance, and caliber and personality</td> </tr> </tbody> </table> <p>The results were presented to the NC and the Board in March 2024 for deliberation. Upon review, the Board is satisfied with the performance of the Board, Board Committees and individual Directors. The following were concluded :</p> <ul style="list-style-type: none"> • It was satisfied with the level of independence demonstrated by the Independent Directors and their ability to provide unbiased, impartial and objective opinions during meetings and to act in the best interest of the Group. 	Evaluation	Assessment Criteria	Board of Directors	Board mix and composition, quality of information and decision making, boardroom activities, strategy governance and monitoring role, Board’s relationship with the Management and Environmental, Social and Governance (“ESG”)/Sustainability	Board Committee	Board Committees’ composition, boardroom activities and key responsibilities	Individual Director	Individual Directors’ fit and proper, contribution and performance, and caliber and personality
Evaluation	Assessment Criteria								
Board of Directors	Board mix and composition, quality of information and decision making, boardroom activities, strategy governance and monitoring role, Board’s relationship with the Management and Environmental, Social and Governance (“ESG”)/Sustainability								
Board Committee	Board Committees’ composition, boardroom activities and key responsibilities								
Individual Director	Individual Directors’ fit and proper, contribution and performance, and caliber and personality								

	<ul style="list-style-type: none"> • All Directors were of the view that each of them had performed their respective roles and functions effectively and responsibly. • The Directors were satisfied with each other’s contribution in terms of sharing their insights and actively participating in Board and Board Committees discussions. • All Board Committees have discharged their roles and responsibilities as per their terms of reference. • The Board was generally satisfied with its current size, composition as well as the mix of skill sets. 	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board maintains that the current remuneration for each category of directors is sufficient to attract and retain directors of high calibre needed to run the Group successfully. The Remuneration Committee ("RC") reviews annually and the Board approves the remuneration for Executive Directors and senior management staff. The remuneration of the Executive Directors and senior management staff are structured to link rewards to corporate and individual performance. The remuneration package consists of basic salary, annual bonus, contribution to EPF based on statutory rate and other customary benefits-in-kind.</p> <p>The remuneration for Non-Executive Directors is by way of fixed annual fees, based on recommendations of the Remuneration Committee and approval by the Board and shareholders at annual general meeting. The level of remuneration reflects level of responsibilities undertaken by the particular Non-Executive Director concerned. The Non-Executive Directors are also paid a meeting allowance for each Board, Board Committee or general meeting they attend. They are also reimbursed reasonable expenses incurred by them while carrying out their duties on behalf of the Company. The Directors concerned do not participate in the deliberation and decision in respect of his individual remuneration.</p> <p>The Remuneration Policy and Procedure for Directors and Senior Management is available on the Company's website, www.mega-first.com.</p>
Explanation for departure	:	

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

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The RC is primarily responsible for recommending to the Board the remuneration packages of the Executive Directors of the Company. It is also responsible for reviewing and recommending to the Board the annual salary and bonus for the Executive Directors and senior management staff.</p> <p>The RC comprises solely Independent Non-Executive Directors. The composition of the RC is set out in the Corporate Information section of this Annual Report.</p> <p>The RC adopted terms of reference since its establishment on 1 July 1998, which was last reviewed and revised in 2022. The terms of reference is available on the Company's website, www.mega-first.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	Please refer to table below.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Goh Nan Kioh	Executive Director	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	Tay Kheng Chiong	Non-Executive Non-Independent Director	55,000.00	3,000.00	0	0	0	0	58,000.00	55,000.00	3,000.00	0	0	0	0	58,000.00
3	Goh Nan Yang	Executive Director	0	0	822,000.00	170,000.00	0	128,245.35	1,120,245.35	0	0	822,000.00	170,000.00	0	128,245.35	1,120,245.35
4	Goh Mei Sze	Executive Director	0	0	441,600.00	110,400.00	2,330.00	71,814.60	626,144.60	0	0	441,600.00	110,400.00	2,330.00	71,814.60	626,144.60
5	Khoo Teng Keat	Executive Director	0	0	468,000.00	170,000.00	0	82,398.60	720,398.60	0	0	468,000.00	170,000.00	0	82,398.60	720,398.60
6	Yeow See Yuen	Non-Executive Non-Independent Director	66,928.20	5,500.00	0	0	0	0	72,428.20	66,928.20	5,500.00	0	0	0	0	72,428.20
7	Dato' Koh Hong Sun	Independent Director	24,265.25	2,000.00	0	0	0	0	26,265.25	24,265.25	2,000.00	0	0	0	0	26,265.25
8	Datuk Hj. Pengiran Saifuddin bin Pengiran Tahir	Independent Director	67,000.00	5,500.00	0	0	0	0	72,500.00	67,000.00	5,500.00	0	0	0	0	72,500.00
9	Jesper Bjorn Madsen	Independent Director	69,000.00	5,500.00	0	0	0	0	74,500.00	69,000.00	5,500.00	0	0	0	0	74,500.00
10	Datin Jeyanthini	Independent Director	59,000.00	2,500.00	0	0	0	0	61,500.00	59,000.00	2,500.00	0	0	0	0	61,500.00

	a/p M. Kannaperan															
11	Dato' Setia Prof Dr Tan Hui Meng	Independent Director	55,000.00	2,500.00	0	0	0	0	57,500.00	55,000.00	2,500.00	0	0	0	0	57,500.00
12	Au Siew Loon	Independent Director	67,071.80	4,500.00	0	0	0	0	71,571.80	67,071.80	4,500.00	0	0	0	0	71,571.80
13	Lui Soek Kuen	Independent Director	18,333.00	500.00	0	0	0	0	18,833.00	500.00	18,833.00	18,333.00	500.00	0	0	18,833.00
14	Input info here	Choose an item.	Input info here													
15	Input info here	Choose an item.	Input info here													

Intended Outcome

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

Practice 8.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Remuneration of the top five senior management, excluding Executive Directors of the Company (in aggregate basis) are as follows:	
		Top Five Senior Management	Number of Senior Management
		RM450,001 – RM500,000	1
		RM500,001 – RM550,000	1
		RM550,001 – RM600,000	1
		RM850,001 – RM900,000	1
		RM1,100,000 – RM1,200,000	1
		The Board ensures that the remuneration of Senior Management commensurate with individual and Company performance, and the Company will be able to retain and motivate them.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Board is of the opinion that the disclosure on named basis would not be in the best interest of the Company due to confidentiality, sensitivity and security concerns.	
Timeframe	:	Others	

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	The AC comprises solely Independent Non-Executive Directors. The AC is chaired by Mr Au Siew Loon while the Chairman of the Board is Mr Goh Nan Kioh. Mr. Au Siew Loon was appointed as the Chairman of the Audit Committee on 24 May 2023 in place of Mr. Yeow See Yuen who was re-designated as Non-Independent Non-Executive Director on even date.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	None of the members of the AC is a former key audit partner. The Company observes the cooling-off period of 3 years for the appointment of a former audit partner as a board audit member. This requirement was incorporated in the terms of reference of the AC.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The AC conducted an annual assessment of the suitability, independence, objectivity and professionalism of the external auditors in respect of the financial year 2023.</p> <p>The External Auditors Assessment's criteria includes quality of service, technical competency, communications, objectivity and independence. The AC also considered the feedback obtained from entity personnel who had substantial contact with the external audit team.</p> <p>Based on the assessment's results, the AC was satisfied with the external auditors' exercise of independence, services and overall performance. There were no major concerns from the outcome of the assessment of external auditor. Therefore, the Board approved the AC's recommendation for obtaining shareholders' approval on the re-appointment of Crowe Malaysia PLT as external auditors of the Company at the forthcoming Annual General Meeting.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The AC comprises solely Independent Directors. The AC consists of three (3) Independent Non-Executive Directors. The Chairman to AC is an Independent Director.</p> <p>The composition of the Audit Committee is as follows:</p> <ol style="list-style-type: none">1. Au Siew Loon (Chairman, Independent Non-Executive)2. Jesper Bjorn Madsen (Independent Non-Executive)3. Lui Soek Kuen (Independent Non-Executive)

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman and Members of the AC are financially literate with vast experience and skills in accounting and finance as well as other relevant fields of expertise. Their skills, experience and expertise enable them to understand matters under the purview of the AC including the review and interpretation of financial statements.</p> <p>All AC members are aware of the need to continuously develop and increase their knowledge in the area of accounting and auditing standards, given the changes and development in this area from time to time. In line with this, the AC members have made continuous effort in keeping themselves abreast of relevant developments by attending trainings in accounting and auditing standards, practices and rules and other development programmes.</p> <p>The training attended by the members of the AC is available in the Corporate Governance Overview Statement of the Annual Report 2023.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Board acknowledges that that it is responsible for the overall risk management and internal control system of the Group, and for reviewing its adequacy, integrity and effectiveness. The Group’s Risk Management Framework is available in the Statement on Risk Management and Internal Control in the Annual Report 2023.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied	
Explanation on application of the practice	:	The features of the Group's Risk Management Framework is explained in the Statement on Risk Management and Internal Control in the Annual Report 2023.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 11.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Internal Audit Department (“IAD”) maintained independence, objectivity and professionalism in discharging their duties as guided by the Internal Audit Charter and satisfied with The Institute of Internal Auditors’ Definition of Internal Auditing.</p> <p>The Head of Internal Audit (“IA”) functionally reports to the AC with unrestricted access to the AC Chairman on all matters. The appointment of the Head of IA is reviewed and approved by the AC which includes a review of the competency and experience of internal auditors as well as adequacy of resources of the internal audit function.</p> <p>The review on adequacy and effectiveness of internal control and compliance control, as well as evaluation of the risk management process is performed independently by the IA Department (“IAD”). The IAD provides reasonable assurance to the AC that there is no material deficiency in the internal control of the Group. The result of audits as narrated in regular audit reports are deliberated in AC meetings attended by the Head of IA.</p> <p>The detailed activities performed by IAD are set out in the AC Report of the Annual Report 2023.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	<p>To the best of our knowledge, the internal audit personnel are free from any relationship or conflicts of interest that could impair their objectivity and independence. All IA personnel are required to adhere to the COCD and are in compliance with the Internal Audit Charter. All IA Personnel have confirmed to the AC with the signing of a declaration to disclose that they are independent, objective and free from any relationship or conflict of interest.</p> <p>Currently, the IAD has 3 personnels comprising the Head of IA and 2 internal auditors. The department is headed by Mr Yong Kim Joo, who holds a professional qualification i.e. The Association of International Accountants (UK). He is also an Associate member of The Institute of Internal Auditors Malaysia.</p> <p>The IAD has adopted a risk-based approach for its internal audit assignments focusing on high-risk areas of the Group's business activity. All audit processes are also guided by the Guidance for an Effective Internal Audit Function issued by The Institute of Internal Auditors Malaysia.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges the need for shareholders and stakeholders to be informed of all material business matters affecting the Company. They are kept well informed of developments and performances of the Company through timely announcements and disclosures made to the Bursa Malaysia, including the release of financial results on a quarterly basis. The Company's annual report which contains all the necessary disclosures in addition to facts and figures about the Group and the Company is released within four months after the financial year end. In addition, efforts have been made to ensure that the report is user friendly so that shareholders have a good understanding about the Company and its operations. All announcements and disclosures made to Bursa Malaysia, including the annual report, are also accessible from the Company's website, www.mega-first.com.</p> <p>The Company has been using the Annual General Meeting each year as a means of communicating with shareholders. All shareholders of the Company receive the annual report of the Company and the notice of the annual general meeting. The AGM notice is also advertised in the press. The Company's annual report and notice of annual general meeting are also released to Bursa Malaysia via electronic submission on a timely basis to ensure effective dissemination to shareholders. Members of the Board, the Chief Financial Officer and the external auditors are present to answer questions raised at the general meetings of shareholders. Adequate time is given during general meetings to allow the shareholders to seek clarifications or ask questions on pertinent and relevant matters.</p> <p>The voting on all resolutions to be tabled at the 58th AGM will be by way of poll. In addition, the Company will appoint a scrutineer to validate the votes cast at the AGM. The detailed results of the voting in terms of number of votes and percentage for and against the respective resolution will be announced to Bursa Malaysia.</p> <p>In addition to the above, the Company has an Investor Relation team that actively engages with analysts, institutional fund managers, research team of security houses, the press and shareholders to provide updates on the Company. The Company also conducts regular briefings and</p>

	<p>actively participates in investment forums/conferences organised by security houses and Bursa Malaysia. Notably, the Company conducts quarterly results briefing after its quarterly results announcement to Bursa Malaysia. Invitation to the quarterly briefing is announced to Bursa Malaysia and is opened to all interested parties.</p> <p>Shareholders also can obtain up-to-date information on the Group's latest quarterly financial report, announcements and results briefings presentation slides by accessing the Company's website, www.mega-first.com.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The MFCB's Annual Report contained the Financial Statements for the financial year and other non-financial information and disclosures, which is comprehensive and sufficient for the time being to enable the shareholders to have a better understanding of the Company's business and performance and to make informed decisions.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied	
Explanation on application of the practice	:	The notice for the forthcoming 58 th Annual General Meeting was given to the shareholders 28 days prior to the Meeting.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied	
Explanation on application of the practice	:	<p>All Directors attended the 57th Annual General Meeting held in 2023.</p> <p>The Chairman of AC, NC and RC were available during the Annual General Meeting to provide meaningful replies to questions addressed to them.</p> <p>All Directors and Chairmen of committees, will continue to adhere to the good practice and make every effort to attend the upcoming Annual General Meeting and future General Meetings.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Applied
Explanation on application of the practice	:	<p>The 57th AGM of the Company held on 24 May 2023 was conducted on a virtual basis via Remote Participation and Voting Facilities.</p> <p>In respect of the concern on good cyber hygiene practices to be in place including data privacy and security to prevent cyber threats, the poll administrator, Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") has made representation to the Company that the security, confidentiality, integrity and availability of Remote Participation and Electronic Voting ("RPV") facilities are vital to conducting a successful AGM in Malaysia.</p> <p>The Company had leveraged on technology to facilitate remote shareholders' participation and electronic voting for the conduct of poll on the resolution. Shareholders were able to participate remotely via live streaming webcast and vote in absentia using the RPV facilities via TIIH Online website at https://tiih.online provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor"), who is appointed as the Company's Poll Administrator. Coopers Professionals Scrutineers Sdn Bhd was appointed as the Independent Scrutineer to administer the whole voting process and validate the poll results.</p> <p>A step-by-step administrative guide was issued to assist shareholders on the registration, participation and voting using the RPV facilities. The Administrative Details were also published in the Company's website prior to the 58th AGM to encourage shareholders' participation.</p> <p>Notwithstanding the 57th AGM was conducted virtually, questions from the Minority Shareholders Watch Group and shareholders which were raised prior to and during the meetings were shared with all participants during the virtual AGM.</p>
Explanation for departure	:	

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

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: The 57 th AGM of the Company was conducted virtually. The Company had issued the administrative details for the 57 th AGM which encompassed the guidance on the conduct of the virtual meeting on 24 May 2023. At the 57th AGM held in 2023, the Board shared with the shareholders on overview of the performance of the Group and its core divisions for financial year 2023. The shareholders were encouraged to submit their questions electronically through the online platform provided by the share administrator, Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") via its TIH Online website at http://tiah.online prior to the 57th AGM, or used the query box to transmit questions to the Board of Directors via Remote Participation and Voting ("RPV") facilities during live streaming of the AGM. The Board and Management endeavour to answer all questions raised, during the Question & Answer session.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:

Timeframe	:		
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Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application	: Applied
Explanation on application of the practice	: The details of the virtual AGM held in 2023 and guidance notes on the conduct of AGMs were stated in the Administrative Details together with the Notice of AGM. The shareholders were guided accordingly for their participation in the AGM. The proceedings of the AGM were broadcasted live and the shareholders were able to join live streamed AGM via the Remote Participation and Electronic Voting (“RPV”) Facilities provided by the share administrator, Tricor Investor & Issuing House Services Sdn Bhd (“Tricor”) via its TIIH Online website at http://tiih.online
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The Minutes of the AGM held on 24 May 2023 was published within the stipulated time frame.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

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

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

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