

CORPORATE GOVERNANCE REPORT

STOCK CODE : 8583
COMPANY NAME : Mah Sing Group Berhad
FINANCIAL YEAR : December 31, 2021

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	: Applied
Explanation on application of the practice	<p>The Board of Directors ("Board") of Mah Sing Group Berhad ("Mah Sing" or "Company") remains committed in promoting corporate governance culture and transparency within the Company and its subsidiaries ("Group"). In fulfilling its roles as stewards of the Group, the Board is dedicated to discharge its duties with due care, skill and diligence.</p> <p>The Board oversees the Group's businesses and its performance under its collective responsibility for the Group's long-term success, working with the senior management to achieve the Group's strategic objectives and the delivery of sustainable value to its stakeholders.</p> <p>The Board is primarily responsible for the Group's overall strategic plans and directions, overseeing the conduct of the businesses, risk management, succession planning of the senior management, implementing investor relations programmes and ensuring the systems of internal control and management information system are adequate and effective. The Board is assisted by 3 Board Committees namely, Audit Committee, Nomination Committee and Remuneration Committee in discharging its oversight function.</p> <p>The responsibilities of the Board are set out in the Board Charter, which is available on Mah Sing's website at www.mahsing.com.my. The Board Committees' roles, duties and responsibilities in discharging their functions are defined in their respective Terms of Reference which are set out in the Board Charter. Further details are set out in the Corporate Governance Overview Statement in the Annual Report.</p>
Explanation for departure	:

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Chairperson is elected by the Board members to provide leadership at Board level and represents the Board to shareholders and other stakeholders. The Chairperson will act independently in the best interest of the Group and is responsible for ensuring Board effectiveness, standard of conduct and governance of the Board.</p> <p>The roles and responsibilities of the Chairperson of the Board are stated in the Board Charter, which is available on the Company's website at www.mahsing.com.my.</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 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairperson of the Board, Tan Sri Dato' Seri Siti Norma Binti Yaakob is a Senior Independent Non-Executive Director, while Tan Sri Dato' Sri Leong Hoy Kum is the Group Managing Director / Group Chief Executive.</p> <p>There is a clear and distinct division of responsibilities between the Chairperson and the Group Managing Director / Group Chief Executive to ensure there is a balance of power and authority.</p> <p>The Chairperson is responsible for running the Board to lead and encourage a healthy level of discussion and deliberation at Board level to achieve its objectives.</p> <p>The Group Managing Director / Group Chief Executive together with Executive Directors have overall responsibilities on the management of the Group's businesses, implementation of policies and day-to-day running of the businesses.</p> <p>The Group Managing Director / Group Chief Executive provides executive leadership and is accountable to the Board for implementation of strategies, objectives and decision of the Board within the framework of delegated authorities, values and policies.</p> <p>The Board has identified the Chairperson as the Senior Independent Non-Executive Director to whom concerns of shareholders and other stakeholders may be conveyed.</p> <p>The responsibilities of the Chairperson and Group Managing Director / Group Chief Executive are further set out in the Board Charter.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application	: Departure
Explanation on application of the practice	:
Explanation for departure	: <p>The Chairperson of the Board, Tan Sri Dato' Seri Siti Norma Binti Yaakob is currently a member of the Audit Committee, a Chairperson of the Nomination Committee and Remuneration Committee.</p> <p>The Board believes that, given the diverse skills and competencies of the individual directors, especially Independent Directors, who are appointed to form a competent and strong Board, the Chairperson's participation at the Board Committees level should be determined by her ability to contribute and participate objectively. `</p> <p>Tan Sri Dato' Seri Siti Norma Binti Yaakob who is respected by both Directors and management for her broad knowledge, experience and dynamism, has continuously placed objectivity to the decision-making process.</p> <p>Tan Sri Dato' Seri Siti Norma Binti Yaakob voiced her concern as necessary and showed impartiality in her judgement and conduct. She does not have any conflict of interest in all aspects of the Group. This includes not holding any directorship and shares in the subsidiaries or dealing in any of the subsidiaries which may interfere with the exercise of her independent judgement or ability to act in the best interest of the Company.</p> <p>Tan Sri Dato' Seri Siti Norma Binti Yaakob is conscious of her differing roles in the Board, Audit Committee, Nomination Committee and Remuneration Committee. Before recommending to the Board, all issues are deliberated at the respective Board Committee levels which involved the participation of the other Board Committee members. All recommendations by the Board Committees to the Board have been arrived at unanimously and this would have eliminated the risk of self-review.</p>

	The Audit Committee and Nomination Committee comprise exclusively Independent Non-Executive Directors, while Remuneration Committee comprises majority Independent Non-Executive Directors. In the assessment of Board Committees' effectiveness, the current setup of the Board Committees is effective and facilitates fast decision-making process.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Board may review and consider the shuffling of the composition of Board Committee if there are any additional Independent Non-Executive Director(s) to be appointed on the Board.
Timeframe	:	Others
		The Board will continue to review the need to apply this Practice on an annual basis.

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company Secretaries of the Company have the requisite credentials and are qualified to act as company secretary under Section 235(2) of the Companies Act, 2016.</p> <p>Ms Yang Bao Ling is an associate member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and Ms Kuan Hui Fang is a member of the Malaysian Institute of Accountants (MIA).</p> <p>The Company Secretaries attend and ensure that all Board, Board Committees and general meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are maintained in the statutory register at the registered office of the Company. The Company Secretaries also assist the Chairperson in the preparation for and conduct of meetings.</p> <p>The Company Secretaries provide corporate advice to the Board and senior management on company secretarial matters pertaining to procedural and related statutory obligations, corporate governance matters and updates on regulatory requirements such as listing rules, guidelines and relevant legislation.</p> <p>The Company Secretaries' responsibilities are set out in the Board Charter.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.6

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>Board materials and information (agenda, Board papers and minutes) are made available prior to each meeting to enable the Directors to have sufficient time to read and understand the information and if need to, obtain further information, clarification or explanation from the management on the matters to be considered.</p> <p>The senior management personnel and External Auditors are invited to attend meetings to present and brief the Board and Audit Committee on matters within their expertise, knowledge and provide clarity on the agenda being discussed including details on recommendations to assist and enable the Directors to make independent and informed decisions.</p> <p>Thereafter, the minutes of meetings are circulated and entered in the minutes book.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company's Board Charter clearly identifies the respective roles and responsibilities of the Board, Board Committees, individual Directors and management. It also clearly identifies the issues and decisions reserved for the Board.</p> <p>The Board reviews the Board Charter as and when necessary, to remain consistent with the Board's objectives, responsibilities and relevant standards of corporate governance.</p> <p>The Board Charter is accessible on the Company's website at www.mahsing.com.my</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group has adopted a Code of Conduct and Ethics which aims to promote good business conduct, ethical behaviours and maintaining a healthy corporate culture within the Group.</p> <p>The Code of Conduct and Ethics applies to all Directors, staff, employees, contract workers, contracting parties, goods and services providers and all those who have dealings, arrangements and trading with the Group including joint venture partners (collectively, “Parties”).</p> <p>The Code of Conduct and Ethics sets out the standards of business ethics and conduct, which serves as a guidance to the Parties in defining ethical standards and conduct at work. This will assist them to exercise reasonable judgement when carrying out their duties and responsibilities in conducting the Group's business.</p> <p>The Code of Conduct and Ethics covers areas such as compliance to the applicable laws, rules and regulations, the Group's proprietary information, price sensitive information and dealings in securities, business records and control, protection of assets and funds, conflict of interest, general conduct for directors, staff, employee and/or contract workers of the Group, occupational health, safety and environment, alcohol and drug free work place, harassment, fighting corruption and unethical practices, money laundering, data protection and intellectual property.</p> <p>The Group strongly believes in acting professionally, fairly and with integrity in all business dealings and relationships including its supply chain, free from acts of bribery or corruption in upholding high standards of ethics and integrity.</p> <p>The Board has established Anti-Bribery and Anti-Corruption (“ABAC”) Management Steering Committee and ABAC Working Committee to oversee the development, implementation and execution of the Group ABAC Policy, procedures and framework of the Group.</p>

	<p>The Group ABAC Policy provides information and guidance to the Directors and employees on their actions and decisions made for and on behalf of the company to prevent practices against the Group ABAC Policy. It also elaborates the accepted best practice guidelines to combat bribery and corruption in furtherance of the Group's commitment to lawful and ethical behaviour at all times.</p> <p>The Group ABAC Policy is applicable to the Directors, employees, suppliers, contractors, sub-contractors, vendors, agents, consultants, representatives, joint venture partners and other representatives acting for or on behalf of the Group.</p> <p>The ABAC Management Steering Committee with the support of the ABAC Working Committee will report and update the Board where changes or review is required depending on current business and legal requirements.</p> <p>The Company continues to provide periodic communication and/or training initiatives on anti-corruption (which covers the Group ABAC Policy) to its staff and supply chain to address the prevention of bribery and corruption.</p> <p>The details of the Code of Conduct and Ethics, and the Group ABAC Policy are available on the Company's website at www.mahsing.com.my.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company recognises the importance of lawful and ethical behaviour in all of its activities and requires its employees to act in accordance with all applicable laws, regulations and policies and to observe high standards of business and personal ethics in the conduct of their duties and responsibilities.</p> <p>The Group is committed to professional standards of integrity and strives to provide assurance to the stakeholders that the Group operate its business and operations ethically and in a responsible manner.</p> <p>The Company has put in place the Whistleblowing Investigation Manual and the Group Whistleblowing Policy and Procedures.</p> <p>The Whistleblowing Investigation Manual sets out the whistleblowing measures consistent with the Group ABAC Policy.</p> <p>The Group Whistleblowing Policy and Procedures provide an avenue for the Directors, employees and relevant stakeholders to raise genuine concerns of alleged, suspected, or known illegal activity or improper conduct within the Group through proper channel without fear of retribution or detrimental action. Any suspected violation of the Code of Conduct and Ethics and the Group ABAC Policy may be reported via the whistleblowing mechanism.</p> <p>The details of the Group Whistleblowing Policy and Procedures are available online at www.mahsing.com.my.</p> <p>The Whistleblowing Committee reports to the Audit Committee. The members of the Whistleblowing Committee are Head of Group Internal Audit Department and Group Chief Executive Officer, who shall supervise the Group Whistleblowing Policy and Procedures and responsible amongst others, to investigate any whistleblowing reports received, recommend areas of improvement to close gaps found during course of any investigation and take action pursuant to the Whistleblowing Investigation Manual. Investigation findings, observations, recommended remediation and corrective action will be tabled to the Audit Committee who reports to the Board.</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 4.1

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>Through the Group's present governance structure and sustainability framework, the Board maintains regular oversight of sustainability matters, including material environmental, social and governance ("ESG") topics. The Board is also accountable for the ultimate supervision of sustainability performance. This oversight includes the presentation of reports and data on material topics such as occupational safety and health, talent management, energy consumption and emissions. The latter two are monitored from the perspective of business and operational cost, productivity as well as contribution to climate change impacts.</p> <p>The aforementioned approach enables more informed decision making by the Board i.e. in measuring progress achieved against key performance indicators or targets, in setting broad goals and strategies and in considering how sustainability impacts both financial values as well as stakeholder value creation.</p> <p>The Board is assisted by the Sustainability Management Committee ("SMC") that comprises Board members and members of senior management from respective functions. The SMC engages leadership across business units, regions and functions to provide further oversight and strategic guidance as well as formulates the sustainability objectives, targets, priorities, policies and goals. The SMC oversees the implementation of sustainability strategy and related matters with the help of the Sustainability Working Committee. The SMC also evaluates economic, ESG risks and opportunities within the Group.</p> <p>Sustainability priorities and initiatives updates are presented to the Board on an annual basis to provide a clear insight of what strategies and initiatives the Group have implemented to meet stakeholders' expectations.</p>

	<p>The Board integrates sustainability considerations that address stakeholders' expectations in the implementation of the Group's strategies, business plans, major plans of action and risk management, in order for the Group to remain competitive, be more resilient and adaptable to changes.</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 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company's annual Sustainability Report provides a detailed account of the Group's sustainability strategies, performance and initiatives that are available for both internal and external stakeholders.</p> <p>The Sustainability Report covers the Company's management approach towards a wide range of ESG topics, the evaluation of the said management approach, the results achieved, relevant lessons learnt and future plans going forward.</p> <p>In addition, investor relations activities such as briefings to analysts, investors and other engagements include ESG information are also conducted to ensure continuous communication with external stakeholders. Internally, sustainability-related awareness and programmes are regularly communicated to internal stakeholders through internal communication channels.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is updated on the progress of the Group’s sustainability priorities and initiatives through participation in the quarterly updates by Risk Management Committee on Enterprise Risk Management Report and annual approval on Sustainability Report.</p> <p>The Board is mindful of the need to keep abreast of external trends and has agreed to devote more time for learning and sharing of sustainability matters and practices.</p> <p>The Board continues to broaden its knowledge base on ESG related matters through a wide range of training programmes as well as other related engagements, ranging from sustainable finance, climate change, general ESG training and development programmes.</p> <p>In the preparation of the Company’s Integrated Annual Report 2021, the Board was briefed on integrated reporting and sustainability reporting. The briefing provided specific knowledge on the integration of ESG matters into the Group’s business model and the emergence of sustainability related risks and opportunities.</p> <p>The key areas addressed are, among others, non-financial capitals such as natural, human, intellectual and social capitals, the relationships or trade-offs between these capitals and the impacts to the business model.</p> <p>Going forward, ESG related risks such as risks arising from climate change including physical, transitional and legal risks are being progressively embedded into the Group’s risk register. From the risk register, the Board is able to develop an oversight and mitigation measures for the said risk factors.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	While the Board has been active and effective in playing a leadership role in driving sustainability and addressing the material sustainability risk of the Group, the implementation of a formal evaluation process shall be effected in due course going forward.	
		The current performance evaluation for senior management takes into account certain progress and performance of material sustainability risks and opportunity of the Group. Moving forward, more alignment with sustainability related issues will be incorporated into senior management performance evaluation.	
		The evaluation process will take into account both the Board and senior management's contributions to ESG goals and objectives, the strategic insight provided in addressing material sustainability risks and opportunities. The evaluation process will likely be included in the Board effectiveness evaluation going forward.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	A comprehensive study is required to ensure that the key performance indicators set for the Board evaluation are appropriate, measurable and aligned to the Company's long-term sustainability strategy.	
Timeframe	:	Within 3 years	

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	:	<p>The Head of Sustainability and Corporate Responsibility is the designated person who manages sustainability strategies and initiatives in the Group.</p> <p>The Head ensures alignment of the Group’s Sustainability Policy and framework with the business operations of the Group. The Head is supported by Sustainability Working Committee comprising heads of various departments.</p>

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Nomination Committee reviews the composition of the Board, performance, contribution and tenure of Directors annually to ensure its appropriateness and effectiveness.</p> <p>The Nomination Committee conducts annual review of the composition of the Board in terms of appropriate size, required mix of skills, experience, core competencies and appropriate balance of executive and non-executive participation.</p> <p>The Nomination Committee also conducts assessment on performance of Directors who are subject to re-election at the annual general meeting. Upon satisfactory evaluation of each Director's performance and contribution to the Board, the Nomination Committee recommends to the Board on re-election of the Director concerned for shareholders' approval at the 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

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 comprises 7 members, 3 of whom are Independent Non-Executive Directors including the Chairperson as follows:</p> <ul style="list-style-type: none">(i) Tan Sri Dato' Seri Siti Norma Binti Yaakob, Chairperson;(ii) Encik Abd Malik Bin A Rahman; and(iii) Ms Ho Kim Poi. <p>The Company is in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") which requires a minimum of two Directors or one-third of the Board, whichever is higher, to be independent directors.</p> <p>The Board views that the existing number of Independent Directors, is adequate to provide a fair check and balance in bringing independent judgement and ensure board decisions are made objectively in the best interest of the Company.</p> <p>The composition of the Board consists of qualified individuals with a broad base of industry knowledge, experience and technical skills necessary in the management and direction of the Group, which is essential for the sustainable and growth of the business, as well as to promote the interest of all stakeholders. The Board believes that its present composition constitutes an optimal size for the Group's current business profile, which is appropriate for leading the Group effectively on its future business growth.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	<p>The Board through its Nomination Committee will review annually the composition of the Board to ensure its appropriateness and effectiveness. The performance of the Independent Directors is reviewed annually to ensure that they continue to demonstrate their ability to exercise independent judgement.</p> <p>Based on the outcome of Board effectiveness evaluation, all Independent Directors have fulfilled the independence criteria as</p>

	<p>prescribed in the Listing Requirements. They continue to provide fair check and balance, bringing independent and objective judgement to both Board and Committees' deliberation.</p> <p>When necessary, the Nomination Committee will source for suitable and well qualified candidates based on merit, competence and required skills to join the Board as Independent Director to further strengthen the Board.</p>	
Timeframe	:	<p>Others</p> <p>As and when vacancies arise and suitable qualified candidates are identified.</p>

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	:	Currently, there are no Independent Directors serving beyond a cumulative term limit of nine years.	
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>Diversity at the Board and senior management level is one of the essential elements in supporting sustainable and balanced development towards achieving its strategic objectives.</p> <p>All appointments will be based on merits, and candidates will be reconsidered against objective criteria, having due regard for the benefits of diversity on the Board and in the workforce. A few aspects were taken into account including skills and knowledge, professional experience, culture and educational background, age, gender and ethnicity.</p> <p>The Nomination Committee is delegated with the responsibility of, among others, assessing, considering and recommending to the Board suitable candidate(s) for appointment as and when vacancy arises.</p> <p>The Board currently has 3 women Directors among the 7 Directors, who serve to bring value to the Board discussions from different perspectives and approaches. The Group have 30% female employees in its senior management.</p> <p>The Directors are required to notify the Chairperson of the Board before accepting any new directorships and to indicate the time expected to be spent on the new appointment. In any circumstances, the Directors must not hold more than 5 directorships in public listed companies in accordance with the Listing Requirements. This is to ensure the Directors do not have competing time commitments that may impair their ability to discharge their responsibilities effectively in the Company.</p> <p>The Board also observes a cooling-off period of 3 years before considering any appointment of former audit partner as Independent Directors to the Board.</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 is responsible for recommending Board candidates for appointments to the Board, based on criteria which they develop, maintain and review. The responsibilities of the Nomination Committee in this regard are outlined in its Terms of Reference, which is available on the Company's website at www.mahsing.com.my.</p> <p>In sourcing suitable candidates for consideration of appointment as Directors, the Nomination Committee may rely on recommendations from the existing Board members, the management or external parties including the Company's contacts in the related industries, finance, legal and accounting professions. The Nomination Committee may also consider the use of external consultants in identifying potential candidates.</p> <p>In the selection of suitable candidates for consideration of appointment as Directors, the Nomination Committee would consider candidates who could meet the required objective criteria, with due regard for the benefits of diversity in skills, experience, age, gender and culture background that would suit the Company's strategic goals to join the Board.</p> <p>The selection and appointment process for Directors can be found in the Board Charter available on the Company's website at www.mahsing.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.7

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

Application	:	Applied	
Explanation on application of the practice	:	The information on Directors standing for re-election and the justification from the Board to support the re-election of Directors are disclosed in the Explanatory Notes to the Notice of 30th Annual General 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

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 Nomination Committee is chaired by Tan Sri Dato' Seri Siti Norma Binti Yaakob, the Senior Independent Non-Executive 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	:	Applied	
Explanation on application of the practice	:	The Board currently has 3 women Directors among the 7 Directors, who are Tan Sri Dato' Seri Siti Norma Binti Yaakob, the Chairperson and Senior Independent Non-Executive Director, Datuk Seri Leong Yuet Mei, an Executive Director, and Ms Ho Kim Poi, an Independent Non-Executive 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 5.10

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	:	<p>In embracing a diverse and inclusive culture that promotes diversity and gender equality across the Group at all levels inclusive of the Board and senior management, the Group has put in place the Diversity, Equity and Inclusion Policy.</p> <p>The Board currently has 3 women Directors among the 7 Directors who serve to bring value to the Board discussions from different perspectives and approaches. The Group also have 30% female employees at senior management level.</p> <p>The policy is set out in Corporate Governance Overview Statement contained in the Integrated Annual Report.</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 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	: Departure
Explanation on application of the practice	:
Explanation for departure	: The Board has delegated to the Nomination Committee to carry out annual assessment on performance and effectiveness of the Board, Board Committees and each individual Director. This assessment on performance and effectiveness was internally facilitated. The Nomination Committee has assessed and evaluated the performance and effectiveness of the Board, Board Committees and individual Directors, conducted an assessment on the independence of the Independent Directors based on specific criteria of independence as per the Listing Requirements and their tenure of service as Independent Directors of the Company. The Nomination Committee has also reviewed the Board and Board Committees' composition, skills, diversity, training requirements and development of the Directors. Thereafter, the recommendations of the Nomination Committee were tabled to the Board. The recommendations are disclosed in the Corporate Governance Overview Statement in the Integrated Annual Report. The evaluation was conducted internally and the Board viewed that the current evaluation process is adequate to provide an objective assessment on the effectiveness of the Board, Board Committees and each individual Director. The Board and Board Committees are satisfied with their existing composition and are of the view that, with the current mix of skills, knowledge, experience and strength of the existing Directors and the independence of the Independent Directors, the Board and respective Board Committees are able to discharge their duties effectively.

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

Measure	:	The Nomination Committee and the Board may consider the necessity to appoint an independent expert to conduct the board evaluation in the future.	
Timeframe	:	Others	The Board will continue to review it on an annual basis.

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 following principles continue to underpin our approach in the remuneration framework:</p> <ul style="list-style-type: none">(i) The performance of the Directors is measured by the Directors' contribution and commitment to both the Board and the Company.(ii) The remuneration of Executive Directors and key senior management personnel are structured to ensure that the compensation and benefits commensurate with the level of the responsibilities, as well as taking into consideration the Company's performance relative to the industry. <p>The level of remuneration is determined after considering the pay range of comparable companies.</p> <p>The annual directors' fee for Non-Executive Directors should be determined by the Board as a whole, subject to shareholders' approval. For the Non-Executive Directors, the review of the Directors' fee should remain appropriate to each director's contribution, by taking into account the level of expertise, time commitment and responsibilities undertaken.</p> <p>No Director shall participate or vote on the deliberations and decisions concerning his own remuneration and benefits.</p> <p>The policies and procedures to determine the remuneration of Directors and key senior management are stated in the Board Charter which is available on the Company's website at www.mahsing.com.my.</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 Board has in place a Remuneration Committee which comprises a majority of Independent Non-Executive Directors. The membership of the Remuneration Committee comprised:</p> <ul style="list-style-type: none">(i) Tan Sri Dato' Seri Siti Norma Binti Yaakob (Chairperson, Senior Independent Non-Executive Director);(ii) Tan Sri Dato' Sri Leong Hoy Kum (Group Managing Director/Group Chief Executive); and(iii) Encik Abd Malik Bin A Rahman (Independent Non-Executive Director). <p>The Remuneration Committee is responsible to implement the policies and procedures on remuneration, reviewing the remuneration packages and making the appropriate recommendations to the Board. The Terms and Reference of the Remuneration Committee is accessible for reference on the Company's website at www.mahsing.com.my.</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	:	The details of the remuneration of the Directors of the Company received and/or receivable from the Company and its subsidiaries during the financial year ended 31 December 2021 are categorised as follows:-

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Tan Sri Dato' Sri Leong Hoy Kum	Executive Director	-	-	-	-	-	-	-	-	-	5,856	4,392	35	1,230	11,513
2	Datuk Ho Hon Sang	Executive Director	-	-	-	-	-	-	-	-	-	1,366	454	35	218	2,073
3	Dato' Steven Ng Poh Seng	Executive Director	-	-	-	-	-	-	-	-	-	1,882	1,096	35	358	3,371
4	Datuk Seri Leong Yuet Mei	Executive Director	-	-	438	144	35	70	687	-	-	438	144	35	70	687
5	Tan Sri Dato' Seri Siti Norma Binti Yaacob	Independent Director	108	-	-	-	-	-	108	108	-	-	-	-	-	108
6	Encik Abd Malik Bin A Rahman	Independent Director	60	-	-	-	-	-	60	60	-	-	-	-	-	60
7	Ms Ho Kim Poi	Independent Director	60	--	-	-	-	-	60	60	-	-	-	-	-	60
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

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

Practice 8.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board has taken an alternative approach to achieve the intended outcome of allowing shareholders to assess whether the remuneration of senior management commensurate with their individual performance and responsibilities, taking into consideration of the Company's performance, as disclosed below.</p> <p>The Board believes this is a good balance, having considered the highly competitive human resource environment for personnel with the requisite knowledge, expertise and experience in the Group's business activities.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	<p>The remuneration of the five key senior management personnel is a combination of annual salary, bonus and benefits-in-kind and is determined in a similar manner as other management employees of the Company. The basis of determination has been applied consistently and is based on individual performance, the overall performance of the Company and is benchmarked against other companies operating in the relevant industry.</p> <p>The individual performance is evaluated on an annual basis and measured against the targets set for the year. The compensation packages are reviewed annually and adjustments to their compensation are made based on individual performance against contributions in the preceding year and the overall performance of the Company.</p> <p>The five key senior management (excluding executive directors) of the Company are Mr Yeoh Chee Beng, Mr Benjamin Ong Chin Yee, Mr Kevin Lew Shee Choong, Mr Michael Ng Kim Lui and Mr Lee Foo Keong. Their profile is disclosed in the Integrated Annual Report. The aggregate</p>

	<p>remuneration of these five key executives received in 2021 was RM4.6 million.</p> <p>The Company believes that such disclosure still allows stakeholders a fair view of the remuneration paid as it is linked to the Group's performance.</p>	
Timeframe	: Others	The Company intends to maintain current practice.

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Chairperson of the Board and the Chairman of the Audit Committee are currently held by different individuals. The Chairperson of the Board is Tan Sri Dato' Seri Siti Norma Binti Yaakob and the Chairman of the Audit Committee is Encik Abd Malik Bin A Rahman, both are Independent Non-Executive Directors of the Company.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit Committee comprises 3 members, all of whom are Independent Non-Executive Directors.</p> <p>At present, none of the Audit Committee members is a former key audit partner of the Company's External Auditors. The Company has not appointed any former key partner of the external audit firm as a member of the Board.</p> <p>The Board will observe a cooling-off period of at least 3 years in the event any potential candidate who is a former key audit partner is being considered for appointment as a member of the Audit Committee.</p> <p>Such requirement is stated in the Terms of Reference of the Nomination Committee, and the Policies and Procedures to Assess The Suitability, Objectivity And Independence Of The External Auditors, which are available online at www.mahsing.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has put in place the Policies and Procedures to Assess The Suitability, Objectivity And Independence Of The External Auditors, which aims to safeguard the quality and reliability of audited financial statements. The Policies also serve as a guidance to the Audit Committee when performing its annual assessment of the External Auditors.</p> <p>The Audit Committee discussed significant accounting and audit issues in respect of the annual audited financial statements with the External Auditors as well as assessed the actions and audit procedures taken by the External Auditors in respect of those areas.</p> <p>The Audit Committee had two private discussion sessions with External Auditors in February and November 2021, without the presence of the Executive Directors and management personnel. The meetings provided an open and unrestricted forum for the External Auditors to discuss with the Audit Committee the areas of concern and findings related to the Group's financial statements for the attention of the Audit Committee.</p> <p>The Audit Committee conducted an annual review and assessment on the performance, suitability, and independence of the External Auditors. Areas of performance review included sufficiency of resources, quality of audit processes, professionalism, independence and objectivity of the audit team, audit scope and planning, level of interaction, audit fees as well as non-audit services. In assessing suitability of the External Auditors, the Audit Committee also referred to the Annual Transparency Report issued by the External Auditors.</p> <p>The External Auditors have confirmed with written assurance to the Audit Committee that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</p> <p>Based on the outcome of the assessment, the Audit Committee was satisfied with the quality and competency of services delivered, sufficiency of the firm's resources, competency of staff assigned for the</p>

	annual audit including the audit partner as well as non-audit services performed, and that the External Auditors continue to be objective and independent in relation to the Group's audit. The Audit Committee was satisfied with the appropriateness of the audit and non-audit fees, which commensurate with the level of services performed. The provision of non-audit services did not compromise the External Auditors' independence and objectivity.	
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	:	The Audit Committee currently comprises 3 members, all of whom are Independent Non-Executive Directors.

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The members of the Audit Committee possess the necessary skills to effectively discharge their duties and are financially literate and have the ability to understand matters under the purview of the Audit Committee, including the financial reporting process. The profiles of the Audit Committee members are provided in the Integrated Annual Report.</p> <p>All Directors, including the members of the Audit Committee have undertaken ongoing trainings and development programmes, according to the respective Director's training needs in carrying out their duties, to keep themselves abreast with the latest development and changes to regulatory requirements, and ensure that they are equipped with the relevant knowledge and skills in order to discharge their duties more efficiently.</p> <p>The list of trainings and development programmes attended by all Directors during the financial year ended 31 December 2021 is disclosed in the Training and Development of Directors section of the Corporate Governance Overview Statement.</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

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

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

Practice 10.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Group has in place an Enterprise Risk Management framework, the Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers and is also in line with ISO 9001:2015 Quality Management System.</p> <p>Details of the Group’s Enterprise Risk Management process flow are set out in its Statement on Risk Management and Internal Control, which is on pages 152 to 154 of the Integrated Annual Report of the Company.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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 Board has established a framework to identify, evaluate, monitor and manage any significant risk affecting the achievement of the Group’s objectives. Further details of the Group’s internal control are presented in the Statement on Risk Management and Internal Control in the Integrated Annual Report.	
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	:	The Group has an Internal Audit function to provide reasonable assurance by independently reviewing and/or appraising the highlighted risks to ensure systems of internal control continuously operate satisfactorily and effectively. The Head of Group Internal Audit Department has a direct reporting line to the Audit Committee, and presents Internal Audit Reports and ad hoc reviews during the quarterly Audit Committee meetings. For further details, please refer to Audit Committee Report in the Integrated Annual Report.	
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>The Group’s Internal Audit function is guided by its Internal Audit Charter and Annual Audit Plan that are approved by the Audit Committee. The Group Internal Audit’s objective and approach are guided by the adoptions of the Institute of Internal Auditors’ International Professional Practices Framework (IPPF) and the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Control – Integrated Framework.</p> <p>The Group Internal Audit Department (“GIAD”) is currently made up of 4 in-house qualified professionals. Every members in GIAD confirmed that they do not have any business relationship with and are not related to people across the Group, or had previously served in management roles in the Group before.</p> <p>The GIAD is headed by Mr. Ng Hong Wai (Adrian), who is a professional member of the Institute of Internal Audit Malaysia, Certified Practising Accountant Australia, Malaysian Institute of Accountants and graduated with Bachelor of Accountancy.</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 recognises and values the importance of effective and clear communication to its shareholders as well as to potential investors and the public. It is fully committed to ensuring the highest standards of transparency and accountability in the disclosure of pertinent information relating to the Group.</p> <p>In this respect, the Group, through its Strategic Communications and Investor Relations departments and its active investor relations programme, engages with research analysts, fund managers, shareholders, financiers and the media to convey the Group's strategies, performance, products and major developments. The form of engagements include briefing sessions and site visits as well as participation in non-deal investment road shows, one-on-one virtual meetings or conference calls and press conferences with the media. The Group's top management which includes the Group Managing Director/Group Chief Executive and/or Executive Directors also takes an active role in engaging our stakeholders through their participation in the investor relations programme or media events.</p> <p>During the financial year, the Company has continued its usage of virtual platforms to facilitate timely communication with the investment community. In addition to virtual meetings and briefings, the Company also conducted site visits, tour of properties and factory. The management also participated in several virtual investor conferences organised by brokerages. The Company is covered by 13 research houses where analysts are actively updated via various platforms such as dissemination of quarterly analysts' pack, briefings and regular virtual meetings or conference calls with analysts.</p> <p>Other effective channels of communication employed by the Group includes making timely and informative disclosures in interim and full year financial results announcements, Integrated Annual Report, press releases and other announcements to Bursa Securities on relevant transactions undertaken by the Group.</p> <p>The Board believes that timely release of financial information and updates on other developments are important to enable shareholders</p>

	<p>and the general public to receive information on the performance and prospects of the Group on a regular basis. Shareholders, investors and members of the public are able to access such announcements on Bursa Securities' website at www.bursamalaysia.com and other information via the Company's website at www.mahsing.com.my.</p> <p>Shareholders, investors and members of the public may also forward their queries to the Company by contacting its dedicated investor relations team at Tel: 603-9221 8888, Fax: 603-9222 1288, Email: ir@mahsing.com.my.</p> <p>Driven by commitment to provide more strategic reporting, beyond financial performance, the Company has adopted integrated reporting for its Integrated Report based on a globally recognised framework.</p> <p>The Company's annual Sustainability Report which provides a detailed account of the Group's sustainability strategies, performance and initiatives as well as how the Company addresses stakeholder expectations across various sustainability issues is available for download at www.mahsing.com.my.</p> <p>The Board views Annual General Meeting ("AGM") as an important avenue for shareholders' direct interaction with management. The Board acknowledges its responsibility to engage shareholders' participation at the AGM and provide meaningful responses to their concerns and queries.</p> <p>At each AGM, the Board presents the macro outlook, financial highlights, business overview and key strategies of the Group, with a view to provide shareholders with an insight on the business activities, financial performance and strategic plans of the Group. The Chairperson of the Board encourages shareholders' participation during meetings by giving them sufficient time during the question and answer session with regards to the Group's financial performance, general operations and other concerns on the Group as well as the proposed resolutions. The senior management, the Company's External Auditors and the Company's advisers, where relevant, are present to provide responses on any concerns that the shareholders may raise.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	

Timeframe	:		
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Intended Outcome

There is 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	:	Applied	
Explanation on application of the practice	:	The Company has adopted integrated reporting for its Integrated Report 2021 based on a globally recognised framework.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Notice of the fully virtual 29th AGM accompanied by administrative guide, form of proxy, Integrated Annual Report and circular to shareholders were issued to shareholders on 30 April 2021 before the 29th AGM held virtually on 30 June 2021. This goes above and beyond Section 316(2) of Companies Act 2016 and paragraph 7.15 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad which call for a 21-days' notice period.</p> <p>The Notice of the 29th AGM, with explanatory notes regarding the effects of the resolution proposed and the relevant recommendations, was made available on the Company's website. The Notice was also advertised in a nationally circulated newspaper.</p> <p>Additional time given to shareholders allows them to make the necessary arrangements to attend and participate in person or through corporate representatives, proxies or attorneys. More importantly, it enables the shareholders to have sufficient time to read the Integrated Annual Report, consider the resolutions, submit questions in advance of meeting, and make an informed decisions in exercising their voting rights at the meeting.</p> <p>The same practice will be observed for the forthcoming 30th AGM which will be held virtually on 30 June 2022.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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>The Board acknowledges its responsibility to engage shareholders' participation at the general meetings and provide meaningful responses to their concerns and queries.</p> <p>All Directors attend general meetings which are scheduled and approved in advance by the Board at the beginning of the year to ensure full attendance of the Board.</p> <p>At the fully virtual 29th AGM held on 30 June 2021, all 7 Directors were in full attendance to address queries raised by the shareholders. The External Auditors, Group Financial Controller and senior management also attended the meeting remotely to respond on matters that were under the purview of the respective parties.</p> <p>The Group Chief Executive Officer presented an overview on the Company's initiatives, commentary on the market outlook, operational performance and strategy of the Group. On the other hand, the Chairperson of the Board briefed on the proposals for which the approval of shareholders were being sought at the meeting. The corporate presentations would enable shareholders to gain insights on the business activities, financial performance and strategic plans of the Group, thereby, enabling the shareholders to form an informed view on the Company.</p> <p>During the 29th AGM, the Chairperson of the Board encouraged shareholders to pose questions in the form of real time submission of typed texts using Remote Participation and Voting facilities provided by Tricor Investor & Issuing House Services Sdn Bhd via its TIH Online website at https://tiah.online.</p> <p>The Board provided adequate and meaningful responses to the questions posed (both received in advance and during meeting) during the question and answer session concerning the Group's financial performance, general operations, proposed resolutions and other concerns on the Group.</p> <p>Shareholders may also forward their enquiries and questions outside of the general meetings to the Company by contacting its dedicated investor relations team at Tel: 603-9221 8888, Fax: 603-9222 1288, Email: ir@mahsing.com.my.</p>

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

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>In view of the COVID-19 pandemic and as part of the safety measures, the Company's 29th AGM held on 30 June 2021 was conducted fully virtually through live streaming and online remote participation using Remote Participation and Voting ("RPV") facilities provided by its poll administrator, Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") via Tricor's TIH Online website at https://tiah.online.</p> <p>RPV facilities has enabled remote shareholders' participation in the form of real time submission of typed texts, submission of form of proxies and online electronic poll voting.</p> <p>Instructions on how to register, participate and vote using RPV facilities are set out in the Administrative Guide contained in the Integrated Annual Report, and was made available on the Company's website at www.mahsing.com.my.</p> <p>The voting procedures were conducted by poll administrator. The poll voting was conducted using RPV at which an independent scrutineer was appointed to validate all votes cast at the 29th AGM. The outcome of all resolutions proposed at 29th AGM was announced to Bursa Malaysia Securities Berhad on the same day of meeting, and was also made available on the Company's website.</p> <p>Tricor has put in place the necessary information security measures to prevent cyber threats and data breaches, which includes hosting RPV facilities on a secured cloud platform.</p> <p>Due to the constant evolving COVID-19 situation in Malaysia and as part of the safety measures, the Company will conduct its 30th AGM fully virtually through live streaming and online remote participation via RPV.</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The Company's 29th AGM held on 30 June 2021 was conducted fully virtually through live streaming and online remote participation using RPV facilities provided by its poll administrator via online meeting platform at https://tiih.online.</p> <p>During the 29th AGM, the Group Chief Executive Officer presented an overview on the Company's initiatives, commentary on the market outlook, operational performance and strategy of the Group. On the other hand, the Chairperson of the Board briefed on the proposals for which the approval of shareholders were being sought at the meeting. The corporate presentations would enable shareholders to gain insights on the business activities, financial performance and strategic plans of the Group, thereby, enabling the shareholders to form an informed view on the Company.</p> <p>At the 29th AGM, the Chairperson of the Board encouraged shareholders to pose questions in the form of real time submission of typed texts using RPV facilities. The shareholders were given opportunity to initiate and continue with online interaction with the Board through RPV facilities.</p> <p>The Board, with the support of Group Financial Controller and senior management addressed the shareholders' questions/concerns at their best endeavours. The Board provided adequate and meaningful responses to the questions posed (both received in advance and during meeting) during the question and answer session concerning the Group's financial performance, general operations, proposed resolutions and other concerns on the Group.</p> <p>Shareholders may also forward their enquiries and questions outside of the general meetings to the Company by contacting its dedicated investor relations team at Tel: 603-9221 8888, Fax: 603-9222 1288, Email: ir@mahsing.com.my.</p>

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

Intended Outcome

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

Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application	: Departure
Explanation on application of the practice	:
Explanation for departure	: <p>The Board read the questions posed (both received in advance and during meeting) and provided meaningful responses accordingly during the question and answer session at the fully virtual 29th AGM.</p> <p>However, the questions raised by the shareholders were not made visible to the shareholders during the 29th AGM.</p> <p>The Company had put in place the required infrastructure and tools to enable a smooth broadcast of the fully virtual 29th AGM and meaningful engagement with the shareholders. This includes allowing shareholders to submit form of proxy, attend, participate, speak (in the form of real time submission of typed texts) and vote at the 29th AGM using RPV facilities at https://tiih.online.</p> <p>At the 29th AGM, the Chairperson of the Board encouraged shareholders to pose questions in the form of real time submission of typed texts using RPV facilities. The shareholders were given opportunity to initiate and continue with online interaction with the Board through RPV facilities.</p> <p>The Board provided adequate and meaningful responses to the questions posed (both received in advance and during meeting) during the question and answer session concerning the Group's financial performance, general operations, proposed resolutions and other concerns on the Group.</p> <p>The corporate presentation on an overview on the Company's initiatives, commentary on the market outlook, operational</p>

	<p>performance and strategy of the Group by Group Chief Executive Officer would enable shareholders to gain insights on the business activities, financial performance and strategic plans of the Group, thereby, enabling the shareholders to form an informed view on the Company.</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>The Company takes note on the recommendation of this Practice. As an alternative measure, the minutes of the 29th AGM together with the questions raised and the Company's response to questions received in advance and those raised during the meeting were made available to shareholders on the Company's website at www.mahsing.com.my within 30 business days after the conclusion of the meeting.</p>
<p>Timeframe</p>	<p>:</p>	<p>Within 1 year</p>

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	: Minutes of the 29th AGM together with the Company's response to questions received in advance and those raised during the meeting were made available to shareholders on the Company's website at www.mahsing.com.my within 30 business days after the conclusion of 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	:

**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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