

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5983
COMPANY NAME : MBM Resources Berhad
FINANCIAL YEAR : December 31, 2023

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES 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>MBM Resources Berhad ("MBMR" or "the Company") is led by its Board of Directors who has full and effective control over the business undertakings of the Company in the interest of its shareholders, subject to the powers reserved for shareholders under the Company's Constitution, Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and applicable laws.</p> <p>This includes the responsibility for setting the Company's overall strategic direction and reviewing, approving, adopting and monitoring the implementation by the Management of the annual strategic and business plan for the Company and the Group as a whole towards achievement of the Company's short-term and long-term goals.</p> <p>The Board, as guided by the Company's Board Charter, retains effective control over important policies and processes covering areas such as internal controls, risk management and remuneration of employees of the Company. The Board Charter is available on MBMR's website at www.mbmr.com.my.</p> <p>To enable the Board to discharge its responsibilities in meeting the Company's goals and objectives, the Board:-</p> <ul style="list-style-type: none">• Together with senior management foster a healthy corporate governance culture which is founded on the principles of transparency, objectivity and integrity;• Ensure that senior management has the necessary skills and experience, and there are proper succession planning measures in place;• Ensure that the Company has in place effective communication channels with stakeholders; and• Ensure that there is a sound framework on corporate reporting, including financial and non-financial reporting.

	<p>The Board has also delegated certain of its responsibilities to the Board Committees, which operate within clearly defined Terms of Reference of respective Committees. The Terms of Reference are available on MBMR’s website at www.mbmr.com.my.</p> <p>The Board has also adopted a formal Code of Business Conduct & Ethics that applies to activities of all Directors and employees of the Group. The Code of Business Conduct & Ethics encapsulates the Company’s values and standards and is communicated to all stakeholders through the Company’s website at www.mbmr.com.my.</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

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 Company's Chairman is En. Aqil bin Ahmad Azizuddin whose profile is available on page 36 of the Annual Report 2023.</p> <p>The Chairman provides leadership for the Board in ensuring that it performs its responsibilities effectively including the determination of the Company's strategies and policies. He plays a large role in ensuring that board decisions are made in the best interest of the company and that the procedures to govern the board's operations are duly adhered to.</p> <p>The Chairman also acts as the conduit amongst members of the Board to facilitate active participation and constructive discussions at meetings. He obtains suggestions and comments from directors and promotes a culture of openness and debate which ultimately results in Board decisions.</p> <p>Additionally, he ensures that decisions are taken on a sound and well-informed basis, including by ensuring that all strategic and critical issues are considered by the Board and sufficient time was allocated for thorough deliberation of key issues.</p> <p>He also reviews the agenda for board meetings in advance in consultation with the Group Chief Executive Officer and ensures the directors receive complete and accurate information in a timely manner.</p> <p>The Chairman ensures that a Company adopts a comprehensive corporate governance plan with milestones which are consistently monitored for effective implementation. He also spearheads the collaboration between the board and senior management to ensure that the Company operates in an ethical, transparent and sustainable manner.</p> <p>The Chairman is also present at the Annual General Meeting ("AGM") and acts as the spokesperson for the Board and by extension, the Company to provide effective communication with stakeholders.</p> <p>The responsibilities of the Chairman are stipulated in the Board Charter, which is available on MBMR's website at www.mbmr.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 Chairman of the Board for the financial year ended 31 December 2023 was En. Aqil bin Ahmad Azizuddin whilst Encik Muhammad Fateh Teh Bin Abdullah held office as the Group Chief Executive Officer ("GCEO") until 24 August 2023. For the remainder of the financial year ended 31 December 2023, a temporary Board Executive Committee comprising of Dato' Zulfikri bin Osman and Mr. Low Hin Choong was formed to undertake the duties and responsibilities of the GCEO in the interim, prior to the appointment of the new GCEO on 2 January 2024.</p> <p>The roles of Chairman and GCEO are separate and clearly defined to foster a separation of responsibilities as leader of the Board and to ensure a balance of power and authority.</p> <p>The Chairman of the Board is responsible for leadership of the Board, ensuring that all its required functions and responsibilities are met.</p> <p>Whilst the GCEO spearheads the business and day-to-day management of the Group and implements the strategies as directed by the Board.</p> <p>The roles and responsibilities of the Chairman and GCEO are provided in Section 4.6 of the Board Charter, which is available on MBMR's website at www.mbmr.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 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	<p>The Chairman of the Board, En. Aqil bin Ahmad Azizuddin is not a member of the Audit Committee or the Nominating and Remuneration Committee of the Company.</p> <p>Additionally, En. Aqil bin Ahmad Azizuddin is not a member of any other Board Committee of MBMR to ensure his objectivity when deliberating on the observations and recommendations put forth by the board committees. This promotes a good check and balance as well as objective review of matters discussed or put forth at 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

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 Board of MBMR is supported by two (2) qualified Chartered Secretaries who are members of the Malaysian Institute of Chartered Secretaries and Administrators and have been undertaking continuous professional development.</p> <p>The Company Secretaries work closely with the Board and Board Committees and play an important role in good governance by advising the Board and its Committees in compliance with the Listing Requirements of Bursa Securities, Companies Act 2016 and other relevant laws and regulations.</p> <p>The roles and responsibilities of the Company Secretaries include, but are not limited to the following:-</p> <ul style="list-style-type: none">• Attend and record minutes of all Board and Board Committee meetings and facilitate Board communications;• Advise the Board on its roles and responsibilities as well as corporate disclosures;• Monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations;• Ensure adherence to the Board policies and procedures;• Advise the Board on its obligatory requirements to disclose material information to shareholders in a timely manner; and• Manage processes pertaining to General Meetings. <p>The Company Secretaries further ensure proper and timely dissemination of Board level decisions to the Management.</p> <p>The Company Secretaries are also evaluated by the Board and the management on an annual basis to ensure they remain effective in their role and the performance of their duties to the Company.</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 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company maintains a schedule of meetings which is circulated to the Directors annually in advance to ensure that the Directors use best endeavours to attend all scheduled meetings and are able devote sufficient time towards effectively discharging their duties.</p> <p>Board meetings are conducted separately from Board Committee meetings to enable objective and independent discussion during meetings. A minimum of five (5) Board meetings are scheduled every year together with quarterly Board Committee meetings. The agenda for each Board and/or Board Committee meeting is approved by the respective Chairs. Special meetings are called for matters which require more urgent attention.</p> <p>Details of the Board and Board Committee meetings held in 2023 and the Board members' respective attendances are disclosed on page 54 of the Annual Report 2023.</p> <p>Prior to each Board and Board Committee meeting, the Directors receive all the necessary materials related to the meeting's agenda, at least five business days in advance, whenever possible. This enables the Directors to have sufficient time to review the documents and to obtain further explanations, where deemed necessary, to facilitate meaningful deliberations during the meeting.</p> <p>Additionally, the Company has also implemented a digital folder which enables the Directors to have instant access to Company documents which include meeting papers, board policies, terms of reference, group policies and other relevant reference material as and when required.</p> <p>Upon completion of each Board and Board Committee meeting, the Company Secretaries shall circulate the minutes to the Directors for review as soon as practicable, after the meeting is held. The Board ensures that the minutes of meetings accurately reflect the deliberations and decisions of the Board, including whether any Director abstained from voting or deliberating on a particular manner.</p>
Explanation for departure	:	

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

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has adopted a formal Board Charter which is made available on the Company's website at www.mbmr.com.my.</p> <p>This Board Charter serves as a primary reference point on governance matters for Directors.</p> <p>MBMR's Board Charter defines the composition of the Board, duties and responsibilities of the Board, the Chairman, the Senior Independent Director, individual directors, and the CEO as well as the matters reserved for the Board.</p> <p>The Board Charter is subject to an annual review and more frequently, if required, to ensure it remains consistent with any changes in law, regulatory requirements, and Company policy that affects the Board Charter. In 2023, the Board reviewed and approved the updated Board Charter on 20 February 2023.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has adopted a formal Code of Business Conduct & Ethics ("COBCE") with the objective of providing guidance on the standards of behaviour expected from the Directors and employees of the Group and where applicable, any third parties including counterparties and business partners. The COBCE places great emphasis on fair, honest and ethical behaviour in conducting business and includes inter alia the following core areas:-</p> <ul style="list-style-type: none">• Safe and healthy workplace environment which exhibits professionalism and respect towards fundamental human rights, and is free from harassment, violence and unlawful / criminal activities;• Managing and reporting of conflicts of interest;• Strict prohibition against all forms of bribery and corruption;• Protecting the Group and shareholders in terms of the Group's assets, financial information, proprietary and confidential information and reputation;• Expected standards of business conduct and ethics in dealing with counterparties, government authorities and political parties;• Adherence to applicable laws and regulations pertaining to environmental, health and safety, insider trading, anti-money laundering, anti-terrorism financing. <p>The Board also adopts a zero-tolerance approach against all forms of bribery and corruption and takes a strong stance against such acts. With Section 17A of the Malaysian Anti-Corruption Commission Act 2009 ("MACCA") taking effect on 1 June 2020, the Board had approved and implemented the MBMR Group Anti-Bribery and Anti-Corruption Policy ("ABC Policy") which sets out the Group's position on avoiding bribery and corruption practices in all its forms in the Group's daily operations. The ABC Policy is developed based on the "T.R.U.S.T" Principles under the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the MACCA. The ABC Policy has been published on the</p>

	<p>Company's website at www.mbmr.com.my in compliance with Paragraph 15.29 of the Listing Requirements of Bursa Securities.</p> <p>The COBCE and ABC Policy are reviewed periodically by the Board to ensure adequacy and updated from time to time to reflect or incorporate any new regulatory requirements / developments. All Directors and employees are required to periodically attest and acknowledge their acceptance of the aforesaid policies and the latest versions of these policies are made available on the Company's website at www.mbmr.com.my.</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 board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established a whistleblowing policy aimed at providing an avenue for all employees and members of the public to disclose any improper conduct or criminal offence committed or about to be committed within the Group including, inter alia, suspected and/or known fraud, corruption, and other unlawful acts.</p> <p>The whistleblowing policy sets out the processes, procedures and appropriate channels which facilitate whistleblowing.</p> <p>Additionally, the whistleblowing policy provides the whistleblower with protection of confidentiality as to identity, to the extent reasonably practicable, and protection against adverse or detrimental actions or retaliation for disclosure of any improper conduct, provided that the disclosure is made in good faith.</p> <p>The whistleblowing policy is reviewed periodically by the Board to ensure adequacy and updated from time to time to reflect or incorporate any new regulatory requirements / developments. The Board last reviewed and approved the updated whistleblowing policy on 25 May 2023. The policy is available on the Company's website at www.mbmr.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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has the overall responsibility to oversee the governance of sustainability matters for the Group. While the Board remains responsible in its oversight function as a whole, the Board has delegated to the Risk Management and Sustainability Committee ("RMSC") the responsibility of setting the Group's sustainability strategies and initiatives comprising of environmental, social and governance matters as well as embedding sustainability best practices to the Group in accordance with the Listing Requirements of Bursa Securities and the MCGG.</p> <p>The Management has reviewed the Group's material sustainability matters in 2023 to ensure that the priority issues related to the group business and operations are continuously identified, assessed and addressed.</p> <p>Details of the Group's material sustainability matters are presented in the sustainability report which are made available on the Company's website at www.mbmr.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 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	: The Group’s sustainability strategies, priorities, targets and performance are continuously being communicated to its internal and external stakeholders through the Company’s annual report, sustainability report, trainings, corporate website, meetings and other methods of engagement.		
	Below is the table of the Group’s stakeholders and the engagements that were conducted for the year under review:		
	Stakeholder	Engagement Activity	Frequency
	Customers	1. Social Media Campaign	1. Regularly
		2. Online Services through Customer Portal	2. Regularly
		3. Interaction from service & sales channels	3. Regularly
		4. Launching Events	4. As required
		5. Showroom Open Day and Roadshows	5. Regularly
		6. Vendor Briefing with Customers	6. Monthly
		7. Customer Annual Conference	7. Annually
		8. Customer Satisfaction Survey	8. Annually
		9. Customer Updates	9. Monthly
	Communities	1. Community Activities	1. Regularly

	Shareholders and Investors	<ol style="list-style-type: none"> 1. Annual General Meeting 2. Analyst Briefing 3. Media Releases 4. Websites 	<ol style="list-style-type: none"> 1. Annually 2. Quarterly 3. Quarterly 4. As required
	Regulators	<ol style="list-style-type: none"> 1. Meetings with Regulators 2. Briefings, Seminars or Discussions with Regulators 	<ol style="list-style-type: none"> 1. Regularly 2. As required
	Suppliers & Contractors	<ol style="list-style-type: none"> 1. Mid-Year Review and Engagement with Vendors 2. Supplier Performance Meetings 3. Supplier Conference 4. Supplier Audit 5. Vendor Development Program 	<ol style="list-style-type: none"> 1. Bi-Annually 2. Monthly 3. Bi-Annually 4. Annually 5. As required
	Employees	<ol style="list-style-type: none"> 1. Employee Engagement Survey 2. Employee Engagement Sessions 3. Team Building Programme 4. Employee Awards Programme 5. Employees Meetings 	<ol style="list-style-type: none"> 1. Annually 2. Regularly 3. As required 4. Annually 5. Daily and Monthly
	Principals	<ol style="list-style-type: none"> 1. Meetings and communication with Principal 	<ol style="list-style-type: none"> 1. Regularly
	<p>Details of these sustainability engagements with internal and external stakeholders are highlighted in the sustainability report which is made available on the Company's website at www.mbmr.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 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 has attended trainings / seminars / conferences throughout the financial year ended 31 December 2023 to ensure that they continuously stay abreast on the latest developments relevant to the Group and its business including topics in relation to sustainability issues.</p> <p>Details of the trainings attended by the Board are available on pages 55 to 56 of the Annual Report 2023.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board via the Nominating and Remuneration Committee (“NRC”) carries out an annual assessment of the effectiveness and performance of the Board and the Board Committees including its effectiveness on addressing sustainability and risk management matters.</p> <p>Further, key performance indicators (“KPIs”) and targets of the company have been incorporated with sustainability elements to ensure that senior management actively address the Group’s material sustainability risks and opportunities. The progress and performance of these sustainability targets are tracked on a quarterly basis by the Risk Management and Sustainability Committee and the Board.</p> <p>Each member of senior management is also assigned the sustainability targets relevant to their respective roles in their annual performance KPIs to promote accountability.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Nominating and Remuneration Committee ("NRC")'s Terms of Reference provides that the recommendation for re-election of Directors to the Board and shareholders by the NRC shall be subject to the satisfactory performance evaluation outcome of the individual Director, with due consideration to the tenure of the Director and the extent to which the Director's expertise, skills, knowledge, and experience interplay with those of other Board members, as well as their roles as committee members.</p> <p>Clause 76(3) of the Company's Constitution requires one-third of the Directors to retire annually and all Directors to retire once at least in each three years but shall be eligible for re-election. The schedule for retirement by rotation is based on the Directors who have been longest in office since the Director's last election.</p> <p>Further, Clause 78 of the Company's Constitution also requires any director appointed to fill a casual vacancy and to be an addition to the existing Directors to hold office only until the next annual general meeting and shall then be eligible for re-election.</p> <p>At the Company's 29th Annual General Meeting ("AGM"), the following Directors were proposed and recommended by the NRC and the Board for re-election by shareholders:</p> <p><u>Clause 76(3) of the Constitution</u></p> <ol style="list-style-type: none">i. Dato Anwar bin Haji @ Ajiii. Mr. Low Hin Choong <p><u>Clause 78 of the Constitution</u></p> <ol style="list-style-type: none">i. En. Aqil bin Ahmad Azizuddinii. Dato Zulfikri bin Osmaniii. Pn. Nik Fazila binti Nik Mohamed Shihabuddin <p>The Board through the NRC had considered the assessment of their performance and contribution from the Board Effectiveness Evaluation conducted for the financial year ended 31 December 2022 and concluded that they met the criteria as prescribed by Paragraph 2.20A of the Listing of Bursa Securities on character, experience, integrity,</p>

	<p>competence and time to effectively discharge his role as Director, having also taken into consideration the fit and proper criteria as provided in the Company's Directors' Fit and Proper Policy.</p> <p>The NRC and the Board was also satisfied that the independent directors seeking re-election, Dato' Anwar bin Haji @ Aji and Pn. Nik Fazila binti Nik Mohamed Shihabuddin had met the criteria of independent directors as prescribed by the Listing Requirements of Bursa Securities, which include being independent of management, free from any business or other relationship which could interfere with the exercise of independent judgement, objectivity or the ability to act in the best interests of the Company, and also being independent of its major shareholders.</p> <p>The NRC and the Board as guided by the Board Skills and Diversity Matrix, had also reviewed its composition and was satisfied that the re-elected directors provide an appropriate mix of expertise, skills, experience and knowledge to carry out the responsibilities of the Board effectively.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

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

Practice 5.2

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 comprised seven (7) non-executive members, five (5) of whom were Non-Independent Directors and two (2) were Independent Directors. The Company complied with the requirement under Paragraph 15.02(1) of the Listing Requirements of Bursa Securities, i.e. at least 2 directors or one-third of the Board of Directors are independent directors.</p> <p>The independence of Directors is assessed annually via Independence Assessment and letter of confirmation of independence against a list of criteria and materiality thresholds that have been incorporated into the MBMR Board Charter. All the Independent Directors of the Company comply with the relevant criteria for independence as defined under Paragraph 1.01 of the Listing Requirements of Bursa Securities (Section 3.2 of the Board Charter).</p> <p>The Board considers that the Company's interests as a whole will be best served by the Non-Independent Non- Executive Directors forming a majority of the composition of the Board and contributing to the strategies and policy decisions of the Company from a highly invested standpoint, while the Independent Directors continue to provide a significant check and balance function to ensure that decisions are free of any conflict of interest.</p> <p>Notwithstanding the above, the NRC and the Board shall continuously assess and review the composition of the Board in terms of its effectiveness and objectivity and shall make recommendations for change as and when deemed necessary.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board Charter clearly stipulates that the tenure of the Company's Independent Directors shall not exceed a cumulative term limit of nine years. Upon completion of the nine years, the Independent Director may continue to serve on the Board as Non-Independent Director.</p> <p>If the Board intends to retain an Independent Director beyond nine years, it should justify and seek annual shareholders' approval through a two-tier voting process.</p> <p>As of 31 December 2023, neither of the two Independent Directors on the Board have served a cumulative term of nine years.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.4 - Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The NRC is empowered to make recommendations to the Board on the appointment of any new Director (Executive, Non-Executive or Independent) and senior management.</p> <p>Prior to recommendation by the NRC to the Board on any appointment, all new candidates will be assessed based on the following factors:</p> <ul style="list-style-type: none">• Skills, knowledge, expertise and experience, time, commitment, character, professionalism and integrity of the candidate against the Board Skills and Diversity Matrix which was formulated in accordance with the Board Diversity Policy;• Fit and proper criteria as guided by the Company's Directors' Fit and Proper Policy;• Disclosures of any interest, position or relationship that may result in a conflict of interest or might influence, or reasonably be perceived to influence in a material respect the capacity to bring independent judgment to bear on issues before the Board and to act in the best interests of the Company as a whole;• Criteria of independence as prescribed in the Listing Requirements of Bursa Securities (for Independent Directors). <p>Shortlisted candidates are required to complete a declaration form as prescribed by the Directors' Fit and Proper Policy to assist the NRC and the Board in its assessment. Further, background checks are also conducted to verify and ensure the integrity of any information declared or obtain any other information the NRC or Board deems pertinent.</p> <p>In addition to the above, any prospective candidates for directorship who are active politicians shall not be considered by the NRC to prevent doubts from being cast on the integrity and governance of the Company. For the financial year ended 31 December 2023, there were no active politicians on the Board of MBMR.</p>

	The Board Diversity Policy and Directors' Fit and Proper Policy are reviewed regularly and made available on the Company's website at www.mbmr.com.my .	
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	:	The task of identifying suitably qualified candidates for appointment of Directors of the Board is carried out by the Nominating and Remuneration who relies on multiple channels of recommendation, including suggestions not only from Board members, major shareholders, and senior management, but also outsourced independent service providers / search firms.	
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	<p>At the 29th Annual General Meeting held on 1 June 2023, the following Directors retired and stood for re-election as Director of the Company:</p> <p><u>Pursuant to Clause 76(3) of the Constitution</u></p> <ul style="list-style-type: none">iii. Dato' Anwar bin Haji @ Aji ("Dato Anwar")iv. Mr. Low Hin Choong ("Mr. Low") <p><u>Pursuant to Clause 78 of the Constitution</u></p> <ul style="list-style-type: none">iv. En. Aqil bin Ahmad Azizuddinv. Dato Zulfikri bin Osmanvi. Pn. Nik Fazila binti Nik Mohamed Shihabuddin <p>The Board had included its statement of support in the notes accompanying the notice of general meeting that the Retiring Directors had discharged their duties and responsibilities effectively, demonstrated commitment to their roles, and will continue to make a strong contribution to the work of the Board and to the long-term sustainable success of the Company.</p> <p>The Board also disclosed that the NRC had considered the assessment of Dato' Anwar and Mr. Low's performance and contribution from the Board Effectiveness Evaluation conducted for the financial year ended 31 December 2022 and the Board and the NRC had concluded that they had both met the criteria prescribed by Paragraph 2.20A of the Listing Requirements of Bursa Securities on character, integrity, competence and time to effectively discharge their roles as Directors having also taken into consideration the fit and proper criteria as provided in the Company's Directors' Fit and Proper Policy.</p> <p>The Board further disclosed that the Retiring Directors had abstained themselves from the deliberations and decision by the Board in relation to their re-election.</p> <p>The profiles of the Retiring Directors were published in the Company's Annual Report 2022 together with the profiles of all other directors</p>

	which include information such as the age, tenure, working experience, directorships in other companies, interest in securities of the Company, conflict of interest (if any) and other information such as convictions or sanctions against them within the past five 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 5.8

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the NRC is Dato' Anwar bin Haji @ Aji who is the Senior Independent Non-Executive Director.</p> <p>He was redesignated as Chairman of the NRC on 7 June 2023 in place of Puan Nik Fazila binti Nik Mohamed Shihabuddin who was concurrently redesignated as a member of the NRC.</p> <p>Dato' Anwar's profile can be viewed on page 36 of the Annual Report 2023.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board recognises the value of appointing individual Directors who brings diverse opinions, skills, experience, backgrounds, characteristics, and competency to its discussions and decision-making processes. As such, during the selection of new Directors, the Board shall take into account the diversity of the candidate's character, gender, age and ethnicity, skills, knowledge, experience, background, competency and perspective as described in the Board Charter and Board Diversity Policy. The Board Charter and Board Diversity Policy are available for viewing at the Company's website at www.mbmr.com.my.</p> <p>As of 31 December 2023, the Company had two women Directors on the Board (representing 28.6% of the Board) and two women in senior management positions (representing 40% of Senior Management).</p> <p>The Board aspires to meet the recommendation of having at least 30% women Directors on the Board when seeking potential candidates for the Board in the near future whilst at the same time upholding its code of conduct on non-discrimination and providing equal opportunities to all based on qualification, merit and performance.</p> <p>The Board intends to source for a new woman Director in 2024 to fulfil its aim to increase women representation on the Board towards applying Practice 5.9.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

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

Practice 5.10

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board in its Annual Report 2023 discloses its policy on gender diversity wherein it recognises the value of appointing individual Directors who brings diverse opinions, skills, experience, backgrounds, characteristics, and competency to its discussions and decision-making processes. As such, during the selection of new Directors, the Board shall take into account the diversity of the candidate’s character, gender, age and ethnicity, skills, knowledge, experience, background, competency and perspective as described in the Board Charter and the Board Diversity Policy.</p> <p>The Board Charter and Board Diversity Policy is available for viewing at the Company’s website at www.mbmr.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 form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>																							
Application	:	Applied																					
Explanation on application of the practice	:	<p>The NRC carries out an annual assessment of the effectiveness of the Board and the performance of the Board Committees and each individual director against a set of criteria (collectively referred to as the “Board Effectiveness Assessment” or “BEA”) and is conducted by way of questionnaires completed by the directors on a confidential basis.</p> <p>The BEA comprises the following areas:</p> <table border="1"> <thead> <tr> <th></th> <th>BOARD</th> <th>BOARD COMMITTEES</th> <th>INDIVIDUAL DIRECTORS</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Board Structure, Mix and Composition</td> <td>Terms of Reference</td> <td>Contribution and Performance</td> </tr> <tr> <td>2</td> <td>Quality of Information and Decision Making</td> <td>Experience and Expertise</td> <td>Calibre and Personality</td> </tr> <tr> <td>3</td> <td>Board’s Role and Responsibilities</td> <td>Quality of Recommendations</td> <td>Fit and Proper</td> </tr> <tr> <td>4</td> <td>Sustainability</td> <td colspan="2"></td> </tr> </tbody> </table> <p>The BEA not only identifies areas of development for the board and individual directors but also promotes awareness of the criteria and obligations in which the Board, Board Committees and individual directors are required to possess and perform. The outcome of the BEA is subsequently prepared and presented to the NRC and the Board in February each year in respect of the preceding calendar year’s assessment.</p>			BOARD	BOARD COMMITTEES	INDIVIDUAL DIRECTORS	1	Board Structure, Mix and Composition	Terms of Reference	Contribution and Performance	2	Quality of Information and Decision Making	Experience and Expertise	Calibre and Personality	3	Board’s Role and Responsibilities	Quality of Recommendations	Fit and Proper	4	Sustainability		
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2	Quality of Information and Decision Making	Experience and Expertise	Calibre and Personality																				
3	Board’s Role and Responsibilities	Quality of Recommendations	Fit and Proper																				
4	Sustainability																						

	<p>The outcome of the BEA on the Board, Board Committees and individual director’s performance during the financial year ended 31 December 2023 is as follows:</p> <p>Among the areas where the Board scored the highest were:</p> <ul style="list-style-type: none"> • Clear definitions of the role and responsibilities of the Board and individual directors; • Clear definitions of matters reserved for the Board in the Board Charter and Limits of Authority; • Continuing programmes are made available for directors to stay updated with latest developments in the market and regulatory environment; • Directors who have conflict of interest abstain from deliberation and decision making. <p>Although the Board, Board Committees and individual directors generally scored higher than average on its ratings, several key areas for improvement together with their corresponding action plans for the Board and Senior Management were also identified and agreed upon namely:</p> <ul style="list-style-type: none"> • Strategic Direction • Succession Planning • Performance Management • Sustainability Awareness <p>Overall, the Board considered the outcome of the BEA satisfactory in terms of its effectiveness and will continue to monitor and review its agreed measures towards further improving its effectiveness.</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 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 NRC is tasked by the Board to review and recommend remuneration policies and procedures of the Directors (both executive and non-executive) and senior management which takes into account the demands, complexities and performance of the company as well as skills and experience required, as provided in the NRC's Terms of Reference.</p> <p>The Board has adopted a Board Remuneration Policy which provides clear and guiding principles in determining the remuneration for the Board in order to attract, retain and motivate talented and qualified Board members and to align their interests with the interest of the shareholders and the long-term business strategies of MBMR and its subsidiaries. The Board Remuneration Policy is reviewed on an annual basis and is made available on the Company's website at www.mbmr.com.my</p> <p>The Board's remuneration is governed through a clearly defined process wherein the NRC makes recommendations to the Board on an annual basis for deliberation. Thereafter, the Board shall upon deliberation make recommendations on the Directors' remuneration (including any benefits payable) as it deems appropriate to the shareholders for approval at the Annual General Meeting ("AGM").</p> <p>For Executive Directors and Senior Management, the Board shall decide on the appropriate remuneration package which is structured in a manner that it is competitive with variable components that are linked to overall Company performance, as recommended by the NRC.</p> <p>The remuneration packages for the Directors and senior management of the Company comprise the following elements:-</p>

	Non-Executive Directors	<p>Director’s Fee Fixed based fee which reflects the level of experience and responsibility</p> <p>Allowances and Benefits-in-Kind Meeting, Representative, Travel and Medical</p> <p>Short-Term and/or Long-Term Incentive Plans Not entitled to any short-term and/or long-term incentive plans</p>
	Executive Directors and Senior Management	<p>Monthly Base Salary Reflective of the individual’s skills experience, area and level of responsibility</p> <p>Statutory and Regulatory Contributions According to prevailing statutory rates; while additional Employee Provident Fund contribution is based on years of service</p>
		<p>Allowances and Benefits-in-Kind As approved by the Board based on the individual’s area of responsibility</p>
		<p>Short-Term and/or Long-Term Incentive Plans Linked to Key Performance Indicators and Company performance</p>
		<p>To facilitate the NRC in proposing a fair and competitive remuneration for the Directors and senior management, a market and/or industry benchmark study against similar organisations in the industry, size and geographies which MBMR operates in will be conducted every three (3) years.</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 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 NRC is tasked by the Board to ensure the implementation of remuneration policies and procedures of the Directors (both executive and non-executive) and senior management as guided by its Terms of Reference which is available on the Company's website at www.mbmr.com.my.</p> <p>The NRC comprises exclusively of Non-Executive Directors, with a majority of them being Independent Directors. The members of the NRC as of 31 December 2023 are:-</p> <ul style="list-style-type: none">• Dato' Anwar bin Haji @ Aji (Senior Independent Non-Executive Director) – Chairman (redesignated on 7 June 2023)• Puan Nik Fazila binti Nik Mohamed Shihabuddin (Independent Non-Executive Director) – Member (redesignated on 7 June 2023)• Ms. Wong Fay Lee (Non-Independent Non-Executive Director) – Member <p>On 31 January 2023, Puan Nik Fazila Binti Nik Mohamed Shihabuddin, an Independent Non-Executive Director, was appointed as the Chairperson of the NRC in place of Datuk (Dr) Aminar Rashid bin Salleh who resigned on the same date.</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	:	Details on the remuneration of the individual directors for the financial year ended 31 December 2023 are 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	Aqil bin Ahmad Azizuddin	Non-Executive Non-Independent Director	97	37	-	-	-	1	135	97	84	-	-	81	1	263
2	Ng Seng Kong	Non-Executive Non-Independent Director	80	51	-	-	-	-	131	80	158	-	-	-	-	238
3	Low Hin Choong	Non-Executive Non-Independent Director	80	149	-	-	-	1	230	80	235	-	-	-	1	316
4	Dato' Anwar bin Haji @ Aji	Independent Director	105	71	-	-	-	-	176	105	71	-	-	-	-	176
5	Wong Fay Lee	Non-Executive Non-Independent Director	95	87	-	-	-	1	183	95	130	-	-	-	1	226
6	Dato' Zulfikri bin Osman	Non-Executive Non-Independent Director	65	92	-	-	-	1	158	65	92	-	-	-	1	158
7	Nik Fazila binti Mohamed Shihabuddin	Independent Director	87	55	-	-	-	1	143	87	55	-	-	-	1	143
8	Datuk (Dr) Aminar Rashid bin Salleh (resigned on 31 January 2023)	Independent Director	11	6	-	-	2	1	20	11	6	-	-	2	1	20
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

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 is of the opinion that the disclosure of the detailed remuneration component of the Company's top senior management personnel would not be in the best interest of the Group given the competitive human resource environment which may result in talent retention issues.</p> <p>As an alternative, the Company discloses a summary of the Company's top five (5) senior management's aggregate remuneration in bands of RM50,000 in the Corporate Governance Overview Statement on page 49 of the Annual Report 2023.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	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	:	<p>The Audit Committee ("AC") comprises solely non-executive directors of whom majority are Independent Directors.</p> <p>The Chairman of the AC is Pn. Nik Fazila binti Nik Mohamed Shihabuddin ("Pn. Nik Fazila") while the Chairman of the Board is En. Aqil bin Ahmad Azizuddin.</p> <p>Pn. Nik Fazila was redesignated as the AC Chairman on 7 June 2023 in place of Dato' Anwar bin Haji @ Aji, who was redesignated as member of the AC. Pn. Nik Fazila is a qualified Chartered Accountant and has extensive experience in the fields of accounting, finance and business assurance.</p> <p>There are structured communication channels between the Board and AC whereby the Chairman of the AC reports the activities of the AC and escalates key issues 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

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	:	For the financial year ended 31 December 2023, the Company does not have any former partner of the external audit firm of the Company that has been appointed to the AC. The policy on "any former partner of the external audit firm of the Company must observe a cooling off period of at least three years before being appointed as a member of AC" is set out in the Terms of Reference of the AC which is available on the Company's website at www.mbmr.com.my .
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The AC assesses the suitability, objectivity and independence of its external auditor annually by way of an assessment form based on the criteria and indicators stipulated in in the Company's Policy on External Auditor and the AC's Terms of Reference.</p> <p>The assessment of the Company's external auditors was done by AC on 6 April 2023 and the AC was satisfied with the outcome of the assessment.</p> <p>The AC had also obtained written assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysia Institute of Accountants as well as through Deloitte's 2022 Transparency Report.</p> <p>The AC also held a private session with the external auditors without the presence of the Management to facilitate a frank discussion on audit challenges or concerns, if any.</p> <p>Further details on the AC's policies and procedures in relation to engagement with the external auditor is detailed in the AC's Terms of Reference, which is available on the Company's website at www.mbmr.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	:		
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Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application :	Not Adopted
Explanation on adoption of the practice :	

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 AC consists of members with a mixture of requisite financial literacy, business experience and specialised knowledge to carry out their duties and responsibilities under the AC's Terms of Reference.</p> <p>The current AC chairman, Pn. Nik Fazila binti Nik Mohamed Shihabuddin, is a qualified Chartered Accountant from the Malaysian Institute of Certified Public Accountants (MICPA) and the Malaysian Institute of Accountants (MIA). Pn. Nik Fazila has extensive experience in the fields of accounting, finance and business assurance and previously held various senior roles including Group Chief Financial Officer and Group Managing Director in various public listed groups.</p> <p>Dato' Anwar bin Haji @ Aji who was redesignated as a member of the AC on 7 June 2023, is presently the Chairman of Zelan Berhad. He was also Chairman of Faber Group Berhad from 2001 to 2008 and held various directorships and management positions in Khazanah National Berhad from 1994 to 2004 including Managing Director.</p> <p>As for the Non-Independent Non-Executive Director, Mr. Ng Seng Kong, he is a fellow member of the Association of Chartered Certified Accountants (ACCA) and Chartered Institute of Management Accountants (CIMA), and a member of Chartered Global Management Accountant (CGMA).</p> <p>Full details of the qualification and experience of each AC member is available in the Board of Directors' Profile on pages 36 to 39 of the Annual Report 2023.</p> <p>All Board members, including AC members, participate in trainings to keep themselves abreast of relevant developments in accounting and</p>

	auditing standards, practices and rules. Details of the trainings are available on pages 55 to 56 of the Annual Report 2023.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Enterprise Risk Management Policy and Framework (“ERM”) has been established by the Board in accordance with ISO 31000:2018 Risk Management – Guidelines which provides a comprehensive guidance and consistent approach in the implementation of risk management across the Group. The ERM Framework incorporates the processes relating to the identification, analysis, evaluation, treatment, monitoring, reviewing and reporting of the Group’s risks and controls.</p> <p>The Board is responsible in overseeing the establishment and implementation of the Group’s risk management and internal control systems. While the Board remains responsible for the risk management and internal control oversight as a whole, it has delegated to the Risk Management and Sustainability Committee (“RMSC”) the responsibility to review the Group’s risk management and internal control systems and oversee the development, implementation and execution of the Group’s risk management processes.</p> <p>Further information on the risk management and internal control systems of the Group is presented in the Statement on Risk Management and Internal Control on pages 57 to 61 of the Annual Report 2023.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>Based on the ERM Policy and Framework, the risk assessment process of identifying, analysing, evaluating and treating risks is established to safeguard the Group from potential losses and support the Group in achieving its business objectives.</p> <p>The effectiveness of the Group's risk management framework and internal control systems are monitored through the following:</p> <ul style="list-style-type: none">a. The Group Risk Management and Compliance Department presents the risk report to the RMSC every quarter to provide an overview of the Group's significant risks and their respective mitigation plans for RMSC's review and recommendations prior to it being updated to the Board by the RMSC Chair;b. Review of the Group's compliance and incident reporting to monitor the Group's legal and regulatory compliance status;c. Review of the Group's actual financial and operational performance against the planned budget and other key financial and operational performance indicators;d. Internal Audit conducts independent audits on the Group's risk management and internal control systems. It also submits quarterly reports on internal control reviews to the AC. <p>Further details of the risk management and internal control framework features and its adequacy and effectiveness are disclosed in the Statement on Risk Management and Internal Control in pages 57 to 61 of the Annual Report 2023.</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

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

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

Practice 10.3 - Step Up

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

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>For the financial year ended 31 December 2023, the Group's Internal Audit Function was outsourced to an independent professional service firm, BDO Governance Advisory Sdn Bhd ("BDO"), who reported directly to the AC.</p> <p>The AC continuously evaluates the adequacy of the scope, functions, competencies, resources and effectiveness of BDO in its capacity of carrying out the Group's Internal Audit Function. BDO carried out the reviews based on the internal audit plan and scope approved by the AC.</p> <p>Through independent reviews and assessment, BDO provided objective assurances to the AC on the state and effectiveness of internal control systems within the Group's operations. BDO also served as an important source of advice for the AC concerning areas of weaknesses or deficiencies in internal processes to facilitate appropriate remedial measures by the Company.</p> <p>BDO also carried out follow-up audits to ensure all audit findings and remedial actions recommended in the internal audit reports have been properly addressed.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>BDO is an outsourced independent professional service firm who reported directly to the AC.</p> <p>The BDO Engagement Partner in charge of the Group’s Internal Audit for the financial year 2023, Mr. Karthigayan Supramaniam has over 18 years of experience in internal audit and risk management for various industries including manufacturing, trading, construction, property development, aviation and oil and gas. He is a Certified Internal Auditor and Information Systems Auditor. The Engagement team was led by an Associate Director with a team of professional staff that was assigned on a need basis according to the scope of work required for a particular audit cycle.</p> <p>BDO and its personnel were independent of the Management and was allowed full access to all of the Group’s entities, records and personnel relevant to the approved audit scope.</p> <p>BDO carried out the internal audit function in accordance with the International Professional Practices Framework for Internal Auditing from the Institute of Internal Auditors.</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>As part of the Board's responsibility in developing and implementing an investor relations programme, formal and informal dialogues are held between senior management and analyst/fund managers throughout the year. During analyst/fund managers briefing, permissible disclosures are made to explain the Group's performance and major development programmes.</p> <p>The Annual General Meeting ("AGM") serves as the principal platform for shareholders and stakeholders to have a dialogue with the Board and Management on all affairs of the Company. The Company makes every effort to encourage maximum participation of shareholders at the AGM by leveraging technology to facilitate remote participation and voting.</p> <p>Aside from the analyst/fund managers' briefings and the AGM, the Board also encourages stakeholders to provide feedback and raise queries to the Company through other channels of communication including the use of the corporate website, by email or sending written communications to MBMR's Company Secretaries or to the Company directly.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The 29th Annual General Meeting (“AGM”) of the Company was held on 1 June 2023 and the Notice of the AGM along with accompanying Annual Report was issued on 28 April 2023. This complies with the recommendation of MCCG to give at least twenty-eight (28) days’ notice of general meeting to the shareholders to ensure that shareholders are given sufficient time to consider the resolutions that will be discussed and decided at the 29th AGM.</p> <p>Each item of special business included in the notice of meeting will be accompanied by a full explanation on the effects of a proposed resolution.</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>All Directors of the Company attended the 29th Annual General Meeting (“AGM”) of the Company and it was noted in the minutes of the meeting and is available for viewing at the Company’s website.</p> <p>Besides the usual agenda for the AGM, the Board provides opportunities for shareholders to raise questions pertaining to the business activities of the Group. All Directors and therefore the Chairs of each Board Committees are available to provide meaningful responses to questions from the shareholders during the 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

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company's 29th Annual General Meeting ("AGM") was held on 1 June 2023 fully virtual through the online meeting platform provided by Tricor Investor & Issuing House Services Sdn Bhd ("TIIH"), the Company's Share Registrar via the TIIH online website at https://tiih.online and shareholders participated and voted remotely using the remote participation and voting ("RPV") facilities provided by TIIH. This is in line with the revised Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia which was effective 7 April 2022.</p> <p>Shareholders who are unable to participate in the AGM are allowed to appoint proxy(ies) to participate, speak and vote on his/her behalf via the RPV facilities.</p> <p>The Company's Constitution allows the Company to leverage on technology to enhance the communication with shareholders such as issuing and transmitting documents to the shareholders using technology means. The Company has been using electronic voting (e-voting) for the conduct of poll on all resolution proposed for efficiency and accurate outcome of the AGM results.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: The Company's 29 th Annual General Meeting ("AGM") was conducted virtually through live streaming from the designated broadcast venue and the Annual Report 2023 together with the Notice of 29 th AGM and the Administrative Details for the conduct of the meeting was issued on 28 April 2023. The Administrative Details informed the shareholders that they were allowed to submit their questions electronically through the online platform provided by the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd ("TIIH") via its TIIH Online website at http://tiih.online prior to AGM from 28 April 2023 onwards until 30 May 2023, and also explained that the use of a query box will be available to transmit questions to the Board of Directors via the remote participation and voting ("RPV") facilities during live streaming of the AGM. During the AGM, the Chairman facilitated interactive engagement between the Board, Management and the shareholders and allowed sufficiently reasonable opportunity for the shareholders to pose questions and receive appropriate responses. The Chairman had informed the shareholders that they could submit their questions and comments to the Board during the AGM via the RPV facilities. Answers to all the questions made visible to the shareholders and addressed by the Directors and senior management where appropriate.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application :	Applied
Explanation on application of the practice :	<p>The Company’s 29th Annual General Meeting (“AGM”) was conducted virtually through live streaming from the designated broadcast venue.</p> <p>The remote participation and voting (“RPV”) facilities provided by the Company’s share registrar via its TIH Online website at https://tiah.online allowed shareholders to pose questions to the Board via real time submission of typed texts through the query box. These questions were broadcasted live via the platform’s facilities, allowing the shareholders to experience real time interaction with the Board during the AGM.</p> <p>All questions were thereafter uploaded on the Company’s website together with the Company’s responses thereto for shareholders’ ease of reference.</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 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The minutes of the 29 th AGM was uploaded onto the Company's corporate website at www.mbmr.com.my within the 30 business days from the date of the AGM. Additionally, the Company had also made available the questions posed by shareholders during the 29 th AGM and the Company's responses to those questions on its website.
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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