

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7146
COMPANY NAME : AE MULTI HOLDINGS BERHAD
FINANCIAL YEAR : March 31, 2024

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors ("Board") of AE Multi Holdings Berhad ("AEM" or "the Company") is responsible for the leadership, oversight, control, development, long-term success of the Group and overall management of the Group inclusive of setting strategic direction, establishing goals for management and monitoring the achievement of these goals. It is also responsible for instilling the appropriate culture, values and behaviour throughout the Group. Further details on the role and responsibilities of the Board are set out in the Corporate Governance Overview Statement in the Company's Annual Report for the Financial Year Ended 31 March 2024 ("FYE 2024") ("AR 2024").</p> <p>The Board's role, responsibilities, governance and effectiveness are set out in the Board Charter of the Company, which available on the Company's website at www.amallionpcb.com. In discharging its fiduciary duties, the Board has also delegated specific tasks to the Board Committees, all of which operate within respective defined terms of reference.</p> <p>The Board is responsible for the overall corporate governance of the Group including reviewing, adopting approving the Group's overall strategic direction, business plans, key operational initiatives, annual budget, major acquisition or disposal of undertakings, capital commitments and funding decisions. Further, the Board also oversees the conduct and sustainability of the Group's business, assuming the responsibility for succession planning, reviewing the risk management process and internal control systems to minimize the downside risk for the Group in its business endeavours and to ensure compliance with relevant rules and regulations.</p> <p>The Board Charter serves as a reference point for Board activities. It is designed to provide guidance and clarity for the Directors and Management with regard to the roles of the Board and its Committees, the role of the Managing Director and/or Executive Director, the</p>

	<p>requirements of Directors in carrying out their roles and in discharging their duties towards the Company as well as the Board’s operating practices.</p> <p>The Board has also adopted a Code of Ethics and Conduct which is incorporated in the Board Charter of the Company. In discharging its responsibilities, the Board is guided by the Code of Ethics and principles contained in the Code. The Directors of the Company must declare immediately to the Board should they be interested in any transaction to be entered into directly or indirectly within the Group.</p> <p>The Board has put in place a Whistle Blowing Policy, Anti-Bribery and Corruption Policy and Corporate Disclosure Policy to set the corporate values and promote a good corporate governance culture within the Group, which reinforces ethical, prudent and professional behaviour and ensures that its obligations to shareholders and other stakeholders are met as guided by the Malaysian Code on Corporate Governance 2021 (“MCCG”), Corporate Governance Guide (“CG Guide”) by Bursa Malaysia Securities Berhad (“Bursa Securities”), Main Market Listing Requirements (“Listing Requirements”) of Bursa Securities, Companies Act 2016 (“CA 2016”) and any other applicable laws, regulations and guidelines by any relevant authorities.</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 1.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Following to the retirement of Dato' Nik Ismail Bin Dato' Nik Yusoff on 29 September 2022, the Company has yet to appoint a Chairman.	
		Currently, the Managing Director ("MD") assumes the primary responsibility for managing the Group's operations and resources. The MD is able to provide effective leadership to the Board with the assistance from the Executive Director ("ED") and at the same time be guided by the Company Secretaries and views from the Independent Directors, who offer the necessary checks and balances in the decision making process of the Board. The MD instils good governance practices by ensuring that all the directors' views are heard, sufficient time for discussion of each agenda, and fair opportunity is provided to all the directors to participate actively and constructively during the meetings and discussions.	
<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

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

Practice 1.3

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Following to the retirement of Dato' Nik Ismail Bin Dato' Nik Yusoff on 29 September 2022, the Company has yet to appoint a Chairman.	
		The Board would appoint a suitable candidate to be the Chairman of the Board, taking into consideration the recommended practice of the MCGG.	
<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

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	: Following to the retirement of Dato' Nik Ismail Bin Dato' Nik Yusoff on 29 September 2022, the position of Chairman of the Board has remained vacant. Therefore, the current Chairman is not a member of the Audit Committee ("AC") and Nominating and Remuneration Committee ("NRC").
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 Company Secretaries are qualified to act as secretary under the Companies Act 2016.</p> <p>The Company Secretaries constantly keep his or her abreast of the evolving capital market environment, regulatory changes and developments in Corporate Governance through attendance at relevant conferences and training programmes.</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">• Manage and attend all Board and Committee meetings and General Meeting and ensures that deliberations and decisions at the meetings are accurately minuted and properly kept in the minutes books;• Guide the Board on issues relating to the Company's Constitution, Corporate Governance best practices, CA 2016, Listing Requirements, and compliance with the relevant regulatory requirements;• Monitor the developments of corporate governance and facilitated the application of the best practices of the MCCG taking into account the Board's needs and stakeholders' expectation;• Undertake the statutory duties as prescribed under the Companies Act 2016;• Ensure that the Board and the Board Committees function effectively based on the Board Charter and the respective Terms of Reference; and• Managed processes of the annual shareholder meetings <p>All Board members have access to the advice and services of the Company Secretaries in carrying out their duties.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>To facilitate the Directors' time planning, the annual Board and Board Committees' meetings calendar was prepared in advance for each new calendar year by the Company Secretaries. The calendar provides the Directors with scheduled dates for meetings of the Board and Board Committees as well as the Annual General Meeting ("AGM"). The closed periods for dealings in securities by Directors and principal officers based on the scheduled dates of meetings for making announcements of the Group's quarterly results were also provided therein.</p> <p>The notice and meeting papers are generally circulated to the Board members at least seven (7) working days before the dates of meetings. This is to ensure sufficient time for all Board members to review and deliberate on such matters accordingly and, where required, to obtain further information and clarification to facilitate well-informed decision-making during the meeting.</p> <p>Senior Management of the Group and external advisers are invited to attend Board meetings to provide additional insights and professional views, advice and explanations on specific items on the meeting agenda.</p> <p>The deliberations and conclusions of matters discussed in the Board or Board Committees meetings are duly recorded in the minutes of meetings. The draft minutes of which are circulated for the Board and/or Board Committee Chairman's review within a reasonable timeframe after the meeting. The meeting minutes accurately captured the deliberations and decisions of the Board and/or the Board Committees, including whether any Director abstains from voting or deliberating on a particular matter.</p> <p>All the records of proceedings and resolutions passed are kept at the registered office of 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

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 is guided by its Board Charter which clearly sets out the Board’s roles and responsibilities in discharging its fiduciary and leadership functions.</p> <p>The Board Charter sets out the composition and balance, roles and responsibilities, operation and processes of the Board. It also serves as a primary reference point in providing all the Board members and Management insights into the fiduciary and leadership functions of the Board. The roles and responsibilities of the Board, Chairman, Managing Director and Company Secretary are set out in the Board Charter.</p> <p>The Board Charter would be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have impact on the discharge of the Board’s responsibilities.</p> <p>The Board Charter was last reviewed on 28 May 2024 and is available on the Company’s website at www.amallionpcb.com.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.1

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

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

Application	: Applied
Explanation on application of the practice	<p>The Board has adopted a Code of Ethics and Conduct which is incorporated in the Board Charter of the Company and is to be observed by all the Directors and employees of the Group.</p> <p>The Code of Ethics and Conduct sets out the ethical standards and underlying core ethical values to guide the actions and behaviours of all the Directors and employees of the Group.</p> <p>The Company has the following policies to guide its business conduct:</p> <ol style="list-style-type: none">1. Anti-Bribery and Corruption Policy; and2. Whistle Blowing Policy <p>The Anti-Bribery and Corruption policy to be observed by all the Directors and employees of the Group under the Code of Ethics and Conduct, details as follows:-</p> <ol style="list-style-type: none">(a) Compliance at all times with the Code of Ethics and Conduct and the Board Charter.(b) Compliance with the legislative and regulatory provisions in force in all the countries in which the Group operates.(c) Observe high standards of corporate governance at all times.(d) Observe high standards of business, professional and ethical conduct, and refrain themselves from offering, giving or receiving any gifts and any other form of benefits (in-kind, cash, advantages and/or favour, etc) from persons or entities who deal with the Company where the gift would reasonably be expected to influence the performance of their duties in any aspect.

	<p>(e) Adhere to the principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership, including fair dealing and the ethical handling of conflicts of interest.</p> <p>(f) Not misuse information gained in the course of duties for personal gain or political purposes.</p> <p>(g) Uphold accountability and act in good faith and the best interests of the Company and the Group.</p> <p>(h) Ensure the protection of the Company's legitimate business interests, including corporate opportunities, assets and confidential information.</p> <p>(i) Ensure full, fair, accurate, timely and understandable disclosure.</p> <p>(j) Declaration of any personal, professional or business interests that may conflict with responsibilities.</p> <p>The Board will review the Code of Ethics and Conduct/ policies from time to time to ensure that it continues to remain relevant and appropriate.</p> <p>All of the abovementioned Code and policies are published at the Company's website at www.amallionpcb.com.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

Intended Outcome

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 Group adopted a Whistle Blowing Policy to provide an avenue and accessible reporting channels for all employees of the Group and members of the public to raise concerns or disclose any improper conduct within the Group and to take appropriate action to resolve them effectively.</p> <p>The Board will review the Ethics and Compliance Whistle Blowing Policy and Procedures from time to time, as and when necessary, to accommodate change in business environment, administrative operational needs within the Group and ensure compliance with the legislations.</p> <p>The Whistle Blowing Policy is available at the Company's website at www.amallionpcb.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The 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 yet to formalise a comprehensive and structured Sustainability Framework and Governance Structure of the Group. To achieve this, the Board continuously ensures that there is an effective governance framework for sustainability within the Group.</p> <p>The Board takes cognisance of the importance of improving the values affecting stakeholders, employees, society, and the environment towards sustainability of the Group's business. The Board with consultation from management, oversees and evaluates the economic, Environmental, Social and Governance ("ESG") issues and any other external matters that may affect the development of the Group's business or interest of the shareholders. The sustainability practices of the Group are disclosed in the Sustainability Statement of the Company's Annual Report, which is reviewed and approved by the Board.</p> <p>The Board together with the Senior Management takes responsibility for the governance of sustainability in the Company, including setting the Company's sustainability strategies, priorities and targets. Performance against these clearly set out targets are communicated to the Company's internal and external stakeholders.</p> <p>The Group adheres to the Occupational Safety and Health ("OSHA") regulations, the standard operating procedures issued by the Ministry of Health.</p> <p>Aside from environmental and social sustainability practices, the Group has adopted Code of Conduct and Ethics, Whistle Blowing Policy, Anti-Bribery and Corruption Policy and to uphold high standards of governance practice across the Group and exercises zero tolerance against all forms of bribery and corruption.</p>

	The Board of Directors has entrusted the Risk Management Committee (“RMC”) with the responsibility of risk management oversight. The Company had adopted an Enterprise Risk Management Framework to identify, evaluate, and manage principal risks for the Group.	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 4.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board is cognisant of the fact that the Company’s internal and external stakeholders should receive complete view of the Company’s sustainability strategies, priorities, targets and overall performance. This information should be comprehensive and include information on which stakeholders would be able to assess the Company’s sustainability risks and opportunities.</p> <p>The ESG priorities, targets and progress are reported in the Sustainability Statement of the AR 2024 to the internal and external stakeholders.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board is mindful of the importance for its members to have an adequate understanding of the industry issues that may pose a threat to the sustainability of the Group’s business, and that they should possess the appropriate skills and experience to manage those risks.</p> <p>The Board, with the assistance from the NRC, reviews the training needs of the Directors and the composition of the Board to ensure the Directors are ESG competent, kept abreast with market trends, changes in regulatory climate, and to ensure the Board has a mix of financial, legal, management, sustainability and other backgrounds which could provide the Company with considerable experience in various aspects when working in synergy.</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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The annual assessment of the Board for the financial year 2024 did not include the review on the Board’s performance in addressing sustainability risks and opportunities.	
		The Board will continue to improve the performance evaluation criteria by including the performance of addressing sustainability risks and opportunities moving forward.	
<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

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 NRC will assess annually, the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director.</p> <p>The NRC assessed the effectiveness of the Board, Board Committee and Individual Directors including the Directors standing for re-election and to recommend to the Board for approval of retiring Directors to be re-elected for the forthcoming AGM as they meet the criteria of characters, experience, integrity, competency and time commitment that enable them to discharge their respective role as Director of the Company effectively.</p> <p>The Company had adopted Fit and Proper Policy ("F&P") for appointment and re-election of Directors on 1 July 2022. The purpose of the F&P is to assess the nominated and re-elected Directors in accordance with the fit and proper criteria set out therein. The F&P has been designed as a practice guide for the appointment and re-election of Directors to assist the NRC to discharge their duties and functions in Board nomination and re-election process of Directors.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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	:	Applied
Explanation on application of the practice	:	<p>As at the date of the issuance of this report, the Board consists of six (6) members, comprising three (3) Independent Non-Executive Directors ("Independent Directors"). The Independent Directors are:</p> <ul style="list-style-type: none">(a) Mr. Yee Yit Yang;(b) Mr. Lim Choo Hooi; and(c) Ms. Ong Poh Lin Abdullah. <p>The composition of the Board complies with Paragraph 15.02(1)(a) of the Listing Requirements of Bursa Securities, i.e. at least two (2) directors or one-third (1/3) of the Board, whichever is higher, are Independent Directors.</p> <p>The independence of the Independent Directors is assessed annually via letter of confirmation of independence. All the Independent Directors of the Company comply with the relevant criteria for independence as defined under Paragraph 1.01 of the MMLR of Bursa Securities.</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	:	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>At present, all Independent Non-Executive Directors on the Board did not exceed a cumulative term limit of nine years. As stipulated in the Board Charter, the tenure of an Independent Directors shall not exceed a cumulative term of nine (9) years. If the Board intends to retain an Independent Director beyond nine (9) years, it should justification and seek shareholders' approval through a two-tier voting process.</p> <p>As at the issuance of the report, there is no Independent Non-Executive Directors who have served on the Board for a cumulative term of more than nine (9) 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 Board recognises diversity in the boardroom as a critical element for efficient functioning of the Board and good governance practices. The Board also believes that diversity leads to the consideration of all facets of an issue and, consequently, better decisions and performance. Hence, the appointment of Board members and senior management not only takes into consideration the objective criteria and merit but also gives due regard for diversity in skills, experience, age, cultural background and gender.</p> <p>In making its recommendations, the NRC would evaluate candidates, among other, the following aspects:</p> <ul style="list-style-type: none"> • skills, knowledge, expertise and experiences; • professionalism; • integrity; and • for the position of independent non-executive director, the candidates' abilities to discharge such responsibilities/functions independently as expected from the independent non-executive director. <p>The role of the NRC is detailed in its Terms of Reference, which is available on the Company's website at www.amallionpcb.com.</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

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

Practice 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The NRC will carry out an annual review of the required mix of skills and experience and other qualities including core competencies which Directors should bring to the Board and assess the effectiveness of the Board as a whole, as well as, look into succession planning, boardroom and gender diversity to ensure the effectiveness of the Board.</p> <p>The policies and procedures for recruitment and appointment of Directors are guided by the Terms of Reference of the NRC.</p> <p>The NRC leverages on various sources and gains access to a wider pool of potential candidates. Besides the recommendation from the existing Board members, management and/or major shareholders, the NRC also refers to the potential candidate from the industry taking into consideration his/her education, skills and experience.</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

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	The profiles of Directors are published in the AR 2024 which include their age, gender, directorships in other companies, working experience and any conflict of interest as well as their shareholdings in the Company, if any. The justification to re-elect the retiring Directors to stand for re-election has been included in the notes of the Company's Notice of 23 rd AGM.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The NRC is chaired by Ms. Ong Poh Lin Abdullah, the Independent Non-Executive Director, who was appointed as Chairman of the NRC on 1 August 2023. The profile of Ms. Ong Poh Lin Abdullah is disclosed in the AR 2024.	
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	:	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 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>The Board acknowledges the benefits of board diversity, including age, gender and ethnic diversity to the effective functioning of the Board. Nevertheless, when considering new appointments to the Board, the NRC and the Board will evaluate the suitability of candidates solely for the needs of the Company based on a set of criteria/ candidates' experience, competency, character, time commitment, integrity and potential contribution to the company with the primary aim of selecting the best candidate(s) to support the achievement of the Company's strategic objectives. Such evaluation criteria are not limited by the age, gender, and ethnicity of the proposed new director for appointment to the Board.</p> <p>As of 31 March 2024, there was one female Director on the Board.</p> <p>The NRC will take steps to identify female candidates subject to appropriate due diligence on the candidate's compatibility, competency, character, time commitment, integrity and experience.</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 has adopted a Gender Diversity Policy on 24 February 2021 which provides a framework for the Company to improve its gender diversity at the Board level.</p> <p>In identifying suitable candidates for appointment to the Board, the NRC will consider candidates based on the candidates' competency, skills, character, time commitment, knowledge, experience and other qualities in meeting the needs of the Company and with due regard for the benefits of diversity in the Board.</p> <p>The Board is supportive of gender diversity in the Board composition and Senior Management as recommended by MCCG and will endeavour to continuously identify and assess suitably qualified female candidates for nomination.</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	: The annual assessment on the board, its committees and each individual director was carried out internally using self-evaluation forms extracted from the Corporate Governance Guide issued by Bursa Securities. For the FYE 2024, the NRC has assessed the performance and effectiveness of the Board as a whole, the Board Committees, contribution of each individual Director and independence of Independent Directors. The evaluations undertaken by the NRC for the FYE 2024 are as summarised below: <ul style="list-style-type: none">• Evaluated the balance of skills, knowledge and experience of the Board. Carried out the assessment and rating of each Director's performances against the criteria as set out in the annual assessment form. The performance of Non-Executive Directors was also carefully considered, including whether he could devote sufficient time to the role.• Undertaken an effectiveness evaluation exercise of the Board and its Committees as a whole to assess its effectiveness.• Assessed and recommended to the Board for approval on the re-election of Directors who were due to retire at the forthcoming AGM pursuant to the Company's Constitution.• Reviewed and assessed the independence of the Independent Directors of the Company.

	<ul style="list-style-type: none"> • Reviewed and evaluated the independence of Independent Directors who have served the Board for a cumulative term of more than nine (9) years pursuant to the MCCG. • Reviewed and assessed the performance of AC. <p>The results of the duly completed self-evaluation forms received from the Directors and AC members were tabled to the NRC for consideration.</p> <p>The NRC is satisfied that the Board has a good mix of skills, experience and qualities and each of the Directors has the professionalism, competence, experience, time commitment, integrity and character to effectively discharge their role as a Director. The NRC is also satisfied with the performance of the AC and each of AC members who have carried out their duties in accordance with their Terms of Reference.</p> <p>Overall, the Board considered the outcome of the assessment satisfactory in terms of its effectiveness and composition. The Board viewed that its current composition is sufficient to meet the needs, objectives and aspirations of the Company.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board had established a formal and transparent Remuneration Policy to attract and retain Directors and Senior Management of the Company.</p> <p>The Board will determine the level of remuneration of Board Members, taking into consideration the recommendations of the NRC for Managing Director and/or Executive Directors. The remuneration of the Managing Director and/or Executive Directors is rewarded on a performance-based.</p> <p>Non-Executive Directors of the Company will be paid a basic fee as ordinary remuneration based on their responsibilities in Committees and the Board, their attendances and/or special skills and expertise they bring to the Board. The fee shall be fixed in sum and not by a commission on percentage of profits or turnover.</p> <p>The Remuneration Policy is available at the Company's website at www.amallionpcb.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied								
Explanation on application of the practice	:	<p>The NRC's primary responsibilities include establishing, reviewing and recommending to the Board the remuneration packages of each individual Director to ensure that their remuneration aligns with business strategy and long-term objectives of the Company and are reflective of their responsibilities and expertise.</p> <p>The current composition of the NRC is as follows:</p> <table border="1"> <thead> <tr> <th>NRC</th> <th>Designation</th> </tr> </thead> <tbody> <tr> <td>Chairman – Ong Poh Lin Abdullah</td> <td>Independent Non-Executive Director</td> </tr> <tr> <td>Member – Yee Yit Yang</td> <td>Independent Non-Executive Director</td> </tr> <tr> <td>Member – Saffie Bin Bakar</td> <td>Non-Independent Non-Executive Director</td> </tr> </tbody> </table> <p>The NRC reviews the remuneration of the Board and Senior Management from time to time with a view to ensuring the Company offers fair compensation and is able to attract and retain talent who can add value to the Company.</p> <p>The Terms of Reference of NRC is available on the Company's website at www.amallionpcb.com.</p>	NRC	Designation	Chairman – Ong Poh Lin Abdullah	Independent Non-Executive Director	Member – Yee Yit Yang	Independent Non-Executive Director	Member – Saffie Bin Bakar	Non-Independent Non-Executive Director
NRC	Designation									
Chairman – Ong Poh Lin Abdullah	Independent Non-Executive Director									
Member – Yee Yit Yang	Independent Non-Executive Director									
Member – Saffie Bin Bakar	Non-Independent Non-Executive Director									
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

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The detailed disclosure on a named basis for the remuneration of individual Directors of the Company for the FYE 2024 is set out in the table below.

	Directorate	Company							Group						
		Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
Yang, Chao-Tung	Managing Director	36,000	-	180,000	-	-	-	216,000	2,500	-	145,317	6772	-	-	154,589
Mak Siew Wei	Executive Director	36,000	-	180,000	-	-	-	216,000	2,500	-	-	-	-	-	2,500
Saffie Bin Bakar	Non-Independent Non-Executive Director	36,000	-	-	-	-	-	36,000	4,000	-	-	-	-	-	4,000
Yee Yit Yang	Independent Non-Executive Director	25,000	-	-	-	-	-	25,000	4,000	-	180,000	-	-	-	184,000
Ong Poh Lin Abdullah	Independent Non-Executive Director	25,000	-	-	-	-	-	25,000	4,000	-	-	-	-	-	4,000
Lim Choo Hooi (Appointed on 10 November 2023)	Independent Non-Executive Director	10,417	-	-	-	-	-	10,417	1,000	-	-	-	-	-	1,000

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 Company takes cognisance to the MCGG recommendation where such disclosure should be made.</p> <p>However, due to confidentiality and sensitivity of the remuneration package of Senior Management as well as security concerns, the Board opts not to disclose the Senior Management's remuneration components on a named basis in the bands of RM50,000.00.</p> <p>The Board considered the information of the remuneration of the Senior Management to be sensitive and proprietary given the competitive nature of the human resource market and to support the Company's efforts in retaining executive talents.</p> <p>The top five (5) Senior Management's remuneration have been disclosed without name basis in bands of RM50,000.00 under the Corporate Governance Overview Statement in the Company's AR 2024 as follows:</p> <table border="1"><thead><tr><th>Range of Remuneration</th><th>No. of Senior Management</th></tr></thead><tbody><tr><td>RM100,001 to RM200,000</td><td>2</td></tr><tr><td>RM200,001 to RM300,000</td><td>3</td></tr></tbody></table> <p>As an alternative, the Board is of the view that the disclosure of Senior Management's aggregated remuneration on an unnamed basis in the bands of RM50,000.00 in the AR 2024 is adequate.</p> <p>The Board will ensure that the remuneration of Senior Management is fair and commensurate with the performance of the Company and the contribution made by the Senior Management.</p>	Range of Remuneration	No. of Senior Management	RM100,001 to RM200,000	2	RM200,001 to RM300,000	3
Range of Remuneration	No. of Senior Management							
RM100,001 to RM200,000	2							
RM200,001 to RM300,000	3							
<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 Chairman of the AC, Mr. Yee Yit Yang, who is an Independent Non-Executive Director and is not the Chairman of the Board.</p> <p>The positions of Board Chairman and AC Chairman are assumed by different individuals which allow the Board and AC to objectively review their findings and recommendations. This is also to ensure that the Board's review of the AC's findings and recommendations are not impaired.</p> <p>The Terms of Reference of the AC is available at the Company's website at www.amallionpcb.com.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The policy which requires a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC is incorporated in the Terms of Reference of the AC.</p> <p>No former key audit partners of the present auditors have been appointed to the Board.</p> <p>The Terms of Reference of the AC is available at the Company’s website at www.amallionpcb.com.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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, assisted by the management, undertakes an annual assessment of the suitability and independence of the External Auditors. The assessment of the External Auditor was conducted by completing personalised evaluation form as guided by the Corporate Governance Guide on Evaluation of External Auditors Performance. The factors considered by the AC in its assessment include, adequacy of professionalism and experience of the staff, the resources of the external auditors, the fees and the independence of and the level of non-audit services rendered to the Group.</p> <p>The AC has assessed and is satisfied with the suitability and the confirmation provided by the external auditors that they have complied with the ethical requirements regarding independence with respect to the audit of the Group in accordance with all relevant professional and regulatory requirements.</p> <p>The Board, upon the recommendation of the AC, had recommended the re-appointment of the External Auditors for shareholders’ approval at the forthcoming AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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>All members of the AC are financially literate and have necessary skills and knowledge as well as understanding of the Group's businesses to discharge their duties effectively in accordance with the terms of reference of the AC.</p> <p>All AC members have undertaken and will continue to undertake continuous professional development to keep themselves abreast of the relevant developments in accounting and auditing standards, practices and rules. These include briefings by the external auditors on the development or changes in accounting, financial and auditing standards and the practicable rules under the Malaysian Financial Reporting Standards, International Financing Reporting Standards and the Companies Act 2016.</p> <p>The training programmes attended by the AC members are stated in the Corporate Governance Overview Statement of the Company's AR 2024.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established an effective risk management and internal control system to safeguard shareholders’ investments, Group’s assets and interest of other stakeholders.</p> <p>The Group outsources its Internal Audit function to an independent internal audit firm, Vaersa Advisory Sdn. Bhd. (“Internal Auditors”). The Internal Auditors were engaged to undertake independent and objective review of the effectiveness of the governance, risk management and internal control process of the Group.</p> <p>The information on the risk management and system of internal controls are set out in the Statement on Risk Management and Internal Control in the AR 2024.</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>The Board recognises that the identification, evaluation, and management of significant risks faced by the Group is an ongoing process. Continuous reviews are carried out by the Internal Audit Function and Management to identify, evaluate, monitor, and manage significant risks affecting the business and ensure that adequate and effective controls are in place.</p> <p>The Board has via the RMC obtained the necessary assurance on the adequacy and effectiveness of the Group's Risk Management and Internal Control Systems. The RMC was established to assist the Board to fulfil its oversight responsibilities with respect to the Group's risk management processes.</p> <p>The Risk Management Policy and Internal Control Framework ensure a structured risk management process is adopted across the Group. This will enable the Group to identify potential risks and to implement the necessary controls to mitigate the risks and effectively achieve the Group's business objectives. It is to achieve total customers satisfaction, deliver superior returns to stakeholders and provide a lively environment for the community, continuously improve and sustain the business. The Group also practices transparency in management and operation to ensure integrity and ethical business practice. It also allows the Group to be more proactive than reactive in management and future planning.</p> <p>The Board is of the view that the Group's risk management and internal control system are adequate and effective to meet the Group's needs and have not resulted in any material losses, contingencies, or uncertainties that require disclosure in the Group's annual report.</p> <p>Although the Board is of the view that the present risk management and internal control is adequately in place to safeguard the Company's assets and sufficient to detect any fraud or irregularities, the Board is on a constant watch for any improvement that may strengthen its current system from time to time.</p>

	The key features of the Risk Management Framework are set out in the Statement on Risk Management and Internal Control as presented in the AR 2024.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 11.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The internal audit function of the Group is outsourced to Vaersa Advisory Sdn. Bhd., whose work is performed with impartially, proficiency, due professional care and precluded from providing any services that may impair their independence or conflict with their role as Internal Auditors.</p> <p>It undertakes regular reviews of the adequacy and effectiveness of the Group's system of internal controls and risk management process, as well as appropriateness and effectiveness of the corporate governance practices. The Internal Audit reports directly to the AC.</p> <p>The AC obtained assurance from the Internal Auditors confirming that they are, and have been, independent throughout the conduct of the internal audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</p> <p>The AC had carried out an annual performance assessment of the Internal Auditors for review of the independence, effectiveness and efficiency of the Internal Auditors of the Company,</p> <p>Further details on the internal audit function set out in the Audit Committee Report and the Statement on Risk Management and Internal Control in the AR 2024.</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>The Internal Audit functions of the Company had been outsourced to an independent internal audit service provider, namely Vaersa Advisory Sdn. Bhd. The Advisory Partner is Mr. Quincy Gan Hoong Huat, holds a Bachelor of Commerce Degree and is a Fellow of the Association of Chartered Certified Accountants (FCCA).</p> <p>The number of staff deployed for the internal audit reviews consist of 3-4 staffs including the Advisory Partner during the financial year under review. The staff involved in the internal audit reviews possesses professional qualifications and/or a university degree. Most of them are members of the Institute of Internal Auditors Malaysia. The internal audit staffs on the engagement are free from any relationships or conflicts of interest, which could impair their objectivity and independence during the course of the work.</p> <p>The internal audit reviews were conducted using a risk-based approach and were guided by the International Professional Practice Framework.</p> <p>The AC had evaluated the performance of the Internal Auditors for the FYE 2024 upon such evaluation criteria as set out its Annual Assessment Form.</p> <p>In conclusion, the AC was of the view that:</p> <ul style="list-style-type: none"> • The Internal Auditors have sufficient experience and resources to satisfy their terms of reference. • The Internal Auditors have sufficient resources to adequately deliver quality services to the Group.
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

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group recognises the importance of being transparent and accountable to its stakeholders and as such, maintains an active and constructive communication policy that enables the Board to communicate effectively with shareholders/investors, the financial community and public.</p> <p>The Company has put in place a Corporate Disclosure Policy with the objective to ensure communications to the public are timely, factual, accurate, complete, broadly disseminated and where necessary, filed with regulators in accordance with applicable laws.</p> <p>The Group leverages on several formal channels for effective dissemination of information to shareholders and other stakeholders, particularly through Annual Report, quarterly financial results, announcements to Bursa Securities, circulars, Annual and Extraordinary General Meeting and the Company's website so that the shareholders are constantly kept abreast on the Group's progress and developments.</p> <p>The Company maintains a website at www.amallionpcb.com to facilitate access to pertinent information concerning the Group and its operations, by the shareholders, consumers, and general public. Announcements, news, and all relevant updates are posted on the Company's website regularly.</p> <p>The AGM is the principal forum for dialogue with shareholders. There is an open 'question and answer' session in which shareholders may pose questions regarding the resolutions being proposed at the meeting and also on matters relating to the Group's businesses and affairs.</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 Notice of the 23rd AGM of the Company which is scheduled to be held on 24 September 2024 was given to the shareholders on 31 July 2024, which is more than 28 days before the date of the 23rd AGM.</p> <p>AEM gives its shareholders at least 28 days' notice before the date of the AGM, which provided additional time for the shareholders to make the necessary arrangements to attend and participate in person or by corporate representatives or proxies, and consider the resolutions that will be discussed and decided at the AGM.</p> <p>The Company also provides details of the AGM to the shareholders with regard to the eligibility of the shareholders, their rights to appoint proxies and other relevant information pertaining to the AGM.</p> <p>In addition, there are explanatory notes providing detailed explanations of the resolutions to be tabled at the AGM to enable the shareholders to make informed decisions in exercising their voting rights.</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 attended the 22nd AGM held on 27 September 2023 to engage directly with shareholders and be accountable for their stewardship of the Company.</p> <p>During the proceedings of the General Meeting, the Chairman invited shareholders to raise questions pertaining to the agendas tabled for approval at the meetings.</p> <p>The proceedings of the AGM included a question and answer session, of which the Chairman of the General Meetings would invite shareholders to raise questions pertaining to the respective agendas, before putting a resolution to vote.</p> <p>The Chairman ensured that sufficient opportunities were given to shareholders to raise their inquiries/concerns relating to the affairs of the Group to the Board and ensured adequate responses were given by the Board to the shareholders.</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 22nd AGM on 27 September 2023 was held on a virtual basis and entirely via remote participation and electronic voting via an online meeting platform at https://rebrand.ly/AEM-AGM. This allows the shareholders to attend the AGM remotely as the health and safety of the shareholders and staffs who attended the AGM are our priority.</p> <p>The forthcoming 23rd AGM will be held on a virtual basis and entirely via remote participation and electronic voting.</p> <p><u>Remote shareholders’ participation in General Meetings</u> Shareholders can attend, participate, speak (including posing questions to the Company/Board of Directors) and vote remotely at the General Meetings without being physically present at the meeting venue. Shareholders may also appoint proxies to participate on his/her behalf by submitting the duly executed proxy form to the Company’s Share Registrar in hard copy or by electronic means.</p> <p><u>Voting in absentia</u> For shareholders who are unable to attend the meetings remotely, they may exercise their voting rights by appointing the Chairman of the meeting as his/her proxy with a pre-determined proxy form.</p> <p>Shareholders will be allowed to cast their vote via an online platform at the time of the meeting until a time when the Chairman of the meeting announces the completion of the voting session.</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

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>		
Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of general meetings in creating a meaningful communication between the Board, Senior Management and Shareholders. At AGM of the Company, the Chairman ensures that shareholders have the opportunity to participate effectively in these meetings.</p> <p>During the last AGM, shareholders were given opportunity to seek clarification on any matters pertaining to the business and financial performance of the Group and Directors and Management were present at the AGM to answer questions raised by shareholders.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application	: Applied
Explanation on application of the practice	: The Company had convened its 22 nd AGM as a virtual meeting conducted via live streaming from the broadcast venue. The Company had provided an Administrative Guide to the shareholders, which set out the procedures and requirements for the Remote Participation and Electronic Voting (“RPV”) facilities. Shareholders and proxies that successfully registered for RPV were able to submit their questions electronically via the platform. Shareholders/proxies had joined the AGM online, and also voted electronically using the RPV facility provided by InsHub Sdn. Bhd. The Chairman ensured members were accorded with an opportunity to ask questions and receive meaningful responses from the Board and Senior Management present.
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 22 nd AGM of the Company are made available on the Company's website at www.amallionpcb.com within 30 business days from the meeting held.
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	:

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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