

CORPORATE GOVERNANCE REPORT

STOCK CODE : 9148
COMPANY NAME : Advanced Packaging Technology (M) Bhd
FINANCIAL YEAR : December 31, 2021

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES 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	:	The roles and responsibilities of the Board of Directors of Advanced Packaging Technology (M) Bhd and various Board Committees are set out in the Board Charter and published on the Company's website at www.advancedpack.com.my . The term of reference of the Audit Committee, Nomination Committee and Remuneration Committee are available at the above website. Other relevant information and details are also set out in the Corporate Governance Overview Statement ("CG Overview Statement") and Annual Report 2021.	
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	:	Applied	
Explanation on application of the practice	:	Dato' Haji Ghazali B. Mat Ariff was appointed as the Chairman of the board on 25 November 2021. The role and responsibilities of the Chairman are stated in the Board Charter which is available on the Company's website www.advancedpack.com.my and CG Overview Statement.	
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	:	Dato' Haji Ghazali B. Mat Ariff, an Independent Non-Executive Director was appointed as the Chairman of the Board on 25 November 2021 while Mr Peter Ling Ee Kong was appointed on 14 January 2022 as the current Managing Director. There is a clear and distinct division of duties and responsibilities between the Chairman and the Managing Director with their roles and responsibilities stated in the Board Charter.	
Explanation for departure	:	-	
		-	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	-	
Timeframe	:	-	-

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
Application	:	Departure
Explanation on application of the practice	:	-
Explanation for departure	:	Dato' Haji Ghazali B. Mat Ariff (" Dato' Ghazali "), an Independent Non-Executive Director was appointed as the Chairman of the Board on 25 November 2021 and at this juncture, there were no changes to the Chairman of the Audit, Nomination and Remuneration Committees (the " Board ") because the Board believes that Dato' Ghazali's chairmanship of the Board will not impair his ability to objectively and impartially chair the Committees.
	:	-
<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	:	The Board is currently supported by two qualified Company Secretaries, namely Ms Leong Shiak Wan, a member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and Puan Zuriati Binti Yaacob, a licensed secretary by the Companies Commission of Malaysia. Their duties and responsibilities as the Company Secretaries are stated in the Board Charter.	
Explanation for departure	:	-	
	:	-	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	-	
Timeframe	:	-	-

Intended Outcome

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

Practice 1.6

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	:	All meeting papers are circulated to the Directors a few days before Directors' and Board Committees' meetings and moving forwards, management will endeavour to improve to meet the recommended five business days in advance of the meetings. Minutes are now circulated within one (1) month after the meeting instead of the previous practice of circulation before the next meeting.	
Explanation for departure	:	-	
	:	-	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	-	
Timeframe	:	-	-

Intended Outcome

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	:	The Board Charter was adopted on 28 April 2014 and is periodically reviewed. It is available on the Company's website at www.advancedpack.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

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

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

Practice 3.1

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

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

Application	:	Applied	
Explanation on application of the practice	:	The Board adopted the Code of Ethics for Company Directors issued by the Companies Commission of Malaysia as published at its website at www.ssm.com.my/code-ethics-company-directors . The Company also issued ethics related codes and policies for Directors and employees and published them at its website at www.advancedpack.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

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

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

Practice 3.2

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

Application	:	Applied	
Explanation on application of the practice	:	The whistle-blowing policy is published on the Company's website at www.advancedpack.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

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 of Directors ("Board") is overall responsible to promote and ensure sustainability is embedded in the business operations of the Group. The implementation is headed by the Managing Director and all departmental heads are involved in the supervision of the sustainable practices and operations.</p> <p>The Group's sustainability framework is premised upon the evaluation of the economic, environmental, and social ("EES") risk and opportunities in line with Bursa Malaysia Securities Berhad's Sustainability Reporting Guide.</p> <p>The Sustainability Statement can be viewed in the Annual Report of the Company.</p>	
Explanation for departure	:	-	
	:	-	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	-	
Timeframe	:	-	-

Intended Outcome

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 of Directors ("Board") is overall responsible to promote and ensure sustainability is embedded in the business operations of the Group. The implementation is headed by the Managing Director and all departmental heads are involved in the supervision of the sustainable practices and operations.</p> <p>The Group's sustainability framework is premised upon the evaluation of the economic, environmental, and social ("EES") risk and opportunities in line with Bursa Malaysia Securities Berhad's Sustainability Reporting Guide.</p> <p>The Sustainability Statement can be viewed in the Annual Report of the Company.</p>	
Explanation for departure	:	-	
		-	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	-	
Timeframe	:	-	-

Intended Outcome

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	:	Departure	
Explanation on application of the practice	:	-	
Explanation for departure	:	The Board does not have a formal and structured task force and policy to address climate-related risks and opportunities.	
	:	-	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Board will consider developing and assigning a team of individuals to lead a taskforce to address climate-related risks and opportunities.	
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 of Directors ("Board") is overall responsible to promote and ensure sustainability is embedded in the business operations of the Group. The implementation is headed by the Managing Director and all departmental heads are involved in the supervision of the sustainable practices and operations.</p> <p>The Group's sustainability framework is premised upon the evaluation of the economic, environmental, and social ("EES") risk and opportunities in line with Bursa Malaysia Securities Berhad's Sustainability Reporting Guide.</p> <p>The Sustainability Statement can be viewed in the Annual Report of the Company.</p>	
Explanation for departure	:	-	
	:	-	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	-	
Timeframe	:	-	-

Intended Outcome

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	:	There is no dedicated or designated person at this juncture within management – however, this role and work scope is co-managed and shared by the executive director and members of the management team.

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>In line with the MCCG, the Board through the NC performs an annual review of the Board's composition to determine if the Board has the appropriate make up with regard to aspects such as size, diversity, independence and alignment to the Company's objectives and strategic goals.</p> <p>Based on its annual review, the Board is satisfied that the current Board composition is strongly suited to provide effective oversight and delegation of responsibilities, in alignment with the strategic objectives of the Group.</p> <p>Additionally, Mr Lim Tiong Heng – an Independent Non-Executive Director was recently appointed on 4 February 2022 to bring further insights and his experience to the business operations.</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	:	The Company has eight Directors as of 22 April 2022 with two Executive Directors and six Non-Executive Directors, of whom three are Independent.	
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 5.3

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	:	The Board would continue to seek shareholders' approval in this coming Annual General Meeting through a 2-tier voting process to retain two Independent Directors that have served more than nine years, namely Dato' Haji Ghazali B. Mat Ariff and Mr. Mah Siew Seng.	
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 application of the practice	:	The Board are in the midst of re-considering the implementation of this policy.

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 has taken into consideration factors like age, qualification, capability, experience and mix of skills when making decision in the appointment of Director.</p> <p>The Nomination Committee is tasked with the responsibility of assessing and recommending to the Board of suitably qualified candidates for appointment as Director.</p>	
Explanation for departure	:	-	
		-	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	-	
Timeframe	:	-	-

Intended Outcome

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

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing directors, 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	:	Departure	
Explanation on application of the practice	:	-	
Explanation for departure	:	The Board has taken a serious view of the diverse channels that could be used to identify suitably qualified candidates for appointment as future Director when the need arises. A case-by-case basis approach is used among all potential candidates and sources.	
	:	-	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Board will review from time to time and on a case-by-case.	
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>APT is committed to maintaining high standards of corporate disclosure and transparency. The profiles of APT's Directors are made available on APT's website and Annual Report. In line with this aspiration, the Board endeavours to provide timely and transparent disclosures, releasing all required/material announcements as soon as practicable.</p> <p>The Board recognises the importance of leveraging on effective communication platforms such as the APT website and Annual Report to provide clear, accurate and valuable insights on the Group's performance and position to its shareholders. This allows shareholders to make informed decisions with respect to the business of the Group, including on appointments and reappointments of Directors.</p> <p>During the year, the assessment relating to reappointment of directors was reviewed by the Nomination Committee and recommended to the Board for approval. The Board approved the proposal, based on the merit and calibre of the directors, and recommended the resolution to shareholders at the AGM. In line with the MCCG, the Board had disclosed a statement that they were supportive of the reappointment of directors in the Notice. The Notice of AGM also included their interests in shares and any conflicts of interests for full transparency.</p>
Explanation for departure	:	-
		-
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	-
Timeframe	:	-

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The Nomination Committee is currently chaired by the Senior Independent Director, Dato' Haji Ghazali B. Mat Ariff. He was appointed to the current position on 28 May 2002.	
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	:	There is no official policy currently regarding gender diversity for appointment of Directors. The Nomination Committee and the Board had deliberated before and concluded that the selection of candidates for directorship of the Company should be prioritised based on capability and experience, and ability to add-value to the Company, instead of just gender.	
	:	However, the Board is receptive to the potential appointment of suitable women candidate to the Board when there is a vacancy.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	-	
Timeframe	:	-	-

Intended Outcome

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

Practice 5.10

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

Application	:	Departure	
Explanation on application of the practice	:	-	
Explanation for departure	:	There is no official policy currently regarding gender diversity for appointment of Directors. The NC and the Board had deliberated before and concluded that the selection of candidates for directorship of the Company should be prioritised based on capability and experience, and ability to add-value to the Company, instead of just gender.	
	:	However, the Board is receptive to the potential appointment of suitable women candidate to the Board when there is a vacancy.	
<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 independent experts at least every three years, to facilitate objective and candid board evaluations.

<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 Nomination Committee had carried out a review for 2021 the effectiveness of the Board and Board Committee as well as the performance of individual Directors. The evaluation process was conducted using Board and Board Committee Evaluation Form, Directors' Evaluation Form, Board Skills Matrix Form and Independent Directors Self-Assessment Checklist. Directors filled up the relevant forms and returned the same to the Company Secretary for consolidation. The results were summarised and presented to the Nomination Committee for discussion, review and the decision made was being recorded. The Nomination Committee reported the same to the Board at the subsequent Board Meeting.
Explanation for departure	:	-
	:	-
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	-
Timeframe	:	-

Intended Outcome

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	:	Departure	
Explanation on application of the practice	:	-	
Explanation for departure	:	There is no written policy for the year under review. However, the factors or guidelines that have been taken into account by the Remuneration Committee in its meeting to determine remuneration of Directors and senior management include qualification, skill and experience, performance of the individual and the Company as well as the responsibilities of each individual.	
	:	-	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Board will review from time to time and consider the need to put in place a written policy on remuneration of directors and senior management.	
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	:	The Remuneration Committee's Terms of Reference is available at the Company's website at www.advancedpack.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

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 disclosure on named basis for the remuneration of individual Directors is set out in the following table.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Haji Ghazali B. Mat Ariff	Independent Director	30	27.3	-	-	-	-	57.3	30	27.3	-	-	-	-	57.3
2	Mah Siew Seng	Independent Director	30	22.8	-	-	-	-	52.8	30	22.8	-	-	-	-	52.8
3	Law Mong Yong	Non-Executive Non-Independent Director	30	8.4	-	-	-	-	38.4	30	8.4	-	-	-	-	38.4
4	Pang Chong Yong	Non-Executive Non-Independent Director	30	8.4	-	-	-	-	38.4	30	8.4	-	-	-	-	38.4
5	Andrew Ling Yew Chung	Executive Director	30	3.6	73.5	-	-	19.32	126.42	30	3.6	73.5	-	-	19.32	126.42
6	Pang Jun Jie (Alternate to Pang Chong Yong), appointed on 15 March 2021	Non-Executive Non-Independent Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Peter Ling Ee Kong, appointed on 30 June 2021	Executive Director	15	2.4	75	-	-	18	110.4	15	2.4	75	-	-	18	110.4
8	Lim Tiong Heng, appointed on 4 February 2022	Independent Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Ng Choo Tim, resigned on 2 July 2021	Independent Director	15	7.2	-	-	-	35	57.2	15	7.2	-	-	-	35	57.2
10	Datuk Ismail bin Haji Ahmad, retired on 17 September 2021	Independent Director	20	9.6	-	-	-	50	79.6	20	9.6	-	-	-	50	79.6

11	Yeo Tek Ling, retired on 31 December 2021	Executive Director	30	2.4	300	-	-	57	389.4	30	2.4	300	-	-	57	389.4
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

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

Practice 8.2

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

Application	:	Departure	
Explanation on application of the practice	:	-	
Explanation for departure	:	There is no disclosure on remuneration of the top 5 senior management personnel mainly due to the confidentiality and sensitivity of the issue which may cause disunity among the management team and affect working morale.	
		Moreover, such disclosure will also give rise to recruitment and talent retention issues.	
		-	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Board will review and consider disclosing in the future, on a named basis in future the remuneration in bands of RM50,000 of the top 5 senior management.	
Timeframe	:	-	-

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 application 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	:	Departure	
Explanation on application of the practice	:	-	
Explanation for departure	:	Dato' Haji Ghazali B. Mat Ariff is the Chairman of the Board and the Audit Committee. At this juncture, the Board believes that Dato' Ghazali's chairmanship of the Board does not impair his ability to objectively and impartially to chair the Audit Committee.	
	:	-	
<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	:	The Audit Committee has a written policy that requires a former audit partner to observe a cooling-off period of at least 2 years before being appointed as Audit Committee member as set out in the Term of Reference of the Audit Committee. The Company has so far never appointed any former audit partner to the Board.	
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	:	The Audit Committee has deliberated and assessed on the issues of suitability, objectivity, competency and independence of external auditors during its meeting.	
Explanation for departure	:	-	
		-	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	-	
Timeframe	:	-	-

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	All the three members of the Audit Committee are Independent Non-Executive Directors, and their details are disclosed in the directors' profile section of the Annual Report 2021.

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 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 Audit Committee Members have different qualifications, expertise and experiences. These include a qualified lawyer, a qualified professional accountant/auditor and an experienced individual within the real estate construction and development industry.</p> <p>They also have knowledge on the business operations of the Company.</p> <p>As such, they possess a mixed range of necessary skills and experience to discharge their duties and responsibilities as Audit Committee Members. As a qualified professional accountant, Mr Mah Siew Seng possesses accounting and financial knowledge to provide satisfactory input on financial matters during meetings. Both Dato' Haji Ghazali B. Mat Ariff and Mr. Mah Siew Seng had attended training programmes in 2021.</p>	
Explanation for departure	:	-	
	:	-	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	-	
Timeframe	:	-	-

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied	
Explanation on application of the practice	:	The information of the risk management and internal control framework are disclosed in the Statement on Risk Management and Internal Control as set out in the Annual Report 2021.	
Explanation for departure	:	-	
		-	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	-	
Timeframe	:	-	-

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied	
Explanation on application of the practice	:	The features of the risk management and internal control framework are disclosed in the Statement on Risk Management and Internal Control as set out in the Annual Report 2021.	
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 Company outsourced the Internal Audit function to Wensen Consulting Asia (M) Sdn Bhd in 2021 to review certain functional areas to ensure best practices are adopted in internal control by the Company. It reports directly to the Audit Committee.</p> <p>The internal audit function adopts a risk-based approach and prepares its audit strategy and plan based on the risk profiles of the business operations.</p> <p>This approach assists the Board/Audit Committee in obtaining assurance on a regular review and appraisal of the adequacy, integrity and effectiveness of the system of internal control.</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	:	The information on the Internal Audit function is included in the Statement on Risk Management and Internal Control as set out in the Annual Report 2021.	
Explanation for departure	:	-	
	:	-	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	-	
Timeframe	:	-	-

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board ensures the timely release of announcement, quarterly and annual financial results, annual reports, circulars and notice of meeting which provides shareholders with regular and updated information of the Company.</p> <p>Information is made available to the shareholders and investing public through timely dissemination of all material information. As such, Shareholders and members of the public can obtain online information in respect of the full Annual Report, financial statements and announcements from both the websites of Bursa Malaysia Securities Berhad and the Company. The Company's website at www.advancedpack.com.my also provides more information to the public for better understanding of the Company and its business.</p> <p>At the Annual General Meeting (AGM), shareholders are encouraged and given the opportunity to participate in asking relevant questions pertaining to the Company and its business. AGM is also the platform that will enable shareholders to gain better insights of the Company's business and operations as well as its future prospect.</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	:	A 28-day notice to shareholders for Annual General Meeting was given prior to meeting so as to give sufficient time for shareholders to consider the resolutions.	
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, Nomination, and other committees provide meaningful response to questions addressed to them.

Application	:	Applied	
Explanation on application of the practice	:	All Directors including the Chairman of the Audit, Nominating and Remuneration Committees had attended the previous year AGM 2021. All Directors including the Chair of the above Committees are expected to attend the forthcoming 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

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 AGM has consistently been held at a venue which is easily accessible at Bandar Baru Bangi, Selangor. As the Company is relatively small with a relatively small number of shareholders, it has inclined not to use technology to facilitate remote shareholders' participation in AGM and voting for cost-consideration purposes.</p> <p>Shareholders are entitled to appoint proxy to attend meeting and vote on their behalf in their absence.</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	: APT, as helmed by the Chairman and Managing Director has always been cognisant of the importance in ensuring the AGM supports meaningful engagement between the Board, Management and shareholders. The Chairman, Managing Director and other members of Management also responded to questions from shareholders, proxies and corporate representatives regarding APT's business and operations, and other queries/clarifications in connection with the AGM and the Annual Report, among other pertinent matters. The Chairman provided further encouragement to the shareholders, proxies and corporate representatives to ask as many questions/clarifications as they wished and steered the conduct of the meeting to remain relevant to the financial statements, business and operations of APT, and the Resolutions in the Notice of AGM. Further epitomising the Company's commitment to the highest standards of shareholder engagement, the AGM Minutes included the additional questions posed by the shareholders along with the detailed responses, as provided by Board and Management.
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.

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.

Application	:	Not applicable – only physical general meetings were conducted in the financial year	
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 13.6

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	:	APT is in compliance with this practice as the Minutes of the AGM was published on the Company's website within 30 business days upon conclusion of the AGM. The Minutes are made available on APT's website http://www.advancedpack.com.my/IR-gm.htm
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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