

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7155
COMPANY NAME : SKP RESOURCES BHD
FINANCIAL YEAR : March 31, 2023

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	: Applied
Explanation on application of the practice	<p>The Board provides stewardship to the Group's strategic direction and operations, and ultimately the enhancement of long-term shareholders' value. The Board is primarily responsible for:</p> <p>(i) <u>Promote good corporate governance culture within the Company which reinforces ethical, prudent and professional behaviour</u></p> <p>The Group has in place policies which promote good corporate governance culture. Such policies include the Code of Ethics and Conduct, integrity policy, whistleblowing policy and corporate disclosure policy.</p> <p>(ii) <u>Reviewing of Management's proposals and adopting a strategic plan for the Company</u></p> <p>The Board is to deliberate, review and approve the business proposals and strategic initiatives proposed by the Senior Management. The Board monitors the implementation of the strategic initiatives regularly, through reporting updates by the Senior Management, to ensure that the Group is aligned with its objectives set.</p> <p>(iii) <u>Overseeing and evaluating the conduct of the Company's business</u></p> <p>The principal responsibilities of the Senior Management team are as follows:-</p> <ul style="list-style-type: none"> - Developing, co-ordinating and implementing business and corporate strategies prior to their submission to the Board - Implementing the policies and decisions of the Board - Overseeing the day-to-day operations of the Group

	<p>- To participate in various management committees or working committees for the effective discharge of duties and functions</p> <p>The Senior Management team assists the Managing Director by preparing important matters such as strategy and actions plan as well as putting them into practice. When necessary, the relevant Senior Management will be invited to attend the Board and/or Board Committees meetings to advise and update the Board with information, reports, and clarifications to keep abreast of the latest business operations and activities of the Group.</p> <p>In addition, the Financial Controller is required to present a report on the financial performance of the Group on a quarterly basis.</p> <p>(iv) <u>Identifying principal risks and ensuring implementation of appropriate internal control and mitigation measures</u></p> <p>During the financial year ended 31 March 2023 (“FYE 2023”), the Audit Committee (“AC”) has been entrusted by the Board to oversee the internal control function.</p> <p>The Board has via the Risk Management Committee (“RMC”) and Risk Management Working Group, to assist the Board in overseeing the risk management function to ensure relevant mitigation measures within the Group in accordance with applicable Terms of Reference.</p> <p>The Board has formalised a structured risk management framework to identify, evaluate, control, monitor and report the principal business risks faced by the Group on an ongoing basis. The Board delegates the function of overseeing the Company’s risk management and policies to the RMC.</p> <p>(v) <u>Reviewing the adequacy and integrity of the Company’s internal control systems and management information systems</u></p> <p>The Board acknowledges its responsibility and accountability for reviewing the adequacy and integrity of the management information and internal controls systems. Information on the Company’s internal control system is presented in the Statement on Risk Management and Internal Control set out in the Annual Report 2023.</p> <p>(vi) <u>Overseeing the development and implementation of investor relations and communication policy for the Group</u></p> <p>The Board is aware of its commitment to enhancing long term shareholders’ value through regular communication with all its stakeholders.</p>
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	<p>In ensuring effective communication with the Company's shareholders and stakeholders, the Corporate Disclosure Policy includes an Investor Relations ("IR") section which serves as a guide for the Board to oversee the development of an effective IR programme and strategy to communicate the corporate vision and mission, strategies, development, financial plans and prospects to investors, the financial community and other stakeholders and to obtain feedback from the stakeholders.</p> <p>The Board reserves certain powers for itself and delegates certain matters, such as the day-to-day management of the Company to the Managing Director / Executive Directors ("EDs") and the Senior Management. Such delegations are subject to approved authority limits. These are matters pertaining to:-</p> <ul style="list-style-type: none"> • recurring and non-recurring revenue expenditures (within the ordinary course of business); • capital expenditures; and • sourcing of business deals/investments. <p>A copy of the Company's Board Charter is available on the Company's corporate website at www.skpres.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

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The key roles and responsibilities of the Chairman of the Board have been clearly specified in Clause 4.3 of the Board Charter, which is available on the Company's corporate website at www.skpres.com.</p> <p>After the demise of the late Dato' Gan Kim Huat on 20 September 2022, the Board has on 9 December 2022, appointed Tan Sri Datuk Hussin Bin Haji Ismail ("Tan Sri Datuk Hussin") as the Independent Non-Executive Chairman of the Company.</p> <p>The Chairman is responsible for providing leadership to the Board, controlling the orderly and effective functioning of the Board, ensures the integrity and effectiveness of the governance processes of the Board and consulting with the Board promptly over any matter that is pertinent to the Company and of concern to the Company.</p> <p>The Chairman acts as the facilitator at meetings of the Board and ensures that no Board Member, whether executive or non-executive, dominates the discussion. The Chairman also ensures that decisions are taken on a sound and well-informed basis, including ensuring that all strategic and critical issues are considered by the Board, and the Directors receive the relevant information on a timely basis.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The position of the Chairman of the Board and the Managing Director (“MD”) are held by different individuals. Tan Sri Datuk Hussin is the Independent Non-Executive Chairman while Mr. Gan Poh San is the MD of the Company, who was re-designated from Executive Director to the MD of the Company on 9 December 2022.</p> <p>The Chairman plays a vital role in leading and guiding the Board and also serves as the communication point between the Board and the MD. While the MD and the Management Team are responsible for implementing the plans chartered out day-by-day management of the Group, with clear authority delegated by the Board.</p> <p>The distinct and separate roles of the Chairman and the MD, with their clear division of responsibilities, ensure a balance of power and authority, such that no one individual has unfettered decision-making powers.</p> <p>Their role and responsibilities of the Chairman and the MD are set out in the Board Charter. The Board Charter is available on the Company's website at www.skpres.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

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>			
Application	: Applied		
Explanation on application of the practice	: The Chairman of the Board, Tan Sri Datuk Hussin is not a member of the Audit Committee ("AC"), Nomination Committee ("NC"), Remuneration Committee ("RC") nor RMC.		
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	: <table border="1" style="display: inline-table; vertical-align: middle;"> <tr> <td style="width: 50px; height: 20px;"></td> <td style="width: 50px; height: 20px;"></td> </tr> </table>		

Intended Outcome

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

Practice 1.5

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

Application	: Applied
Explanation on application of the practice	<p>The Board is supported by two (2) suitably qualified and competent Company Secretaries as follows:-</p> <ul style="list-style-type: none">• Ms. Chua Siew Chuan, FCIS• Ms Yau Jye Yee, ACIS <p>Both the Company Secretaries are members of the Malaysian Institute of Chartered Secretaries and Administrators (“MAICSA”) and are qualified to act as Company Secretaries under Section 235(2)(a) of the Companies Act 2016.</p> <p>The responsibilities carried out by the Company Secretaries include:-</p> <ol style="list-style-type: none">a) manage all Board and Board Committee meeting logistics, attend and record minutes of all Board and Board Committee meetings and facilitate board communication;b) advise the Board on its roles and responsibilities;c) facilitate the orientation of new Directors and assist in director training and development;d) advise the Board on corporate disclosures and compliance with the Companies Act 2016, listing requirements and other relevant regulations;e) manage processes pertaining to the annual shareholder meeting;f) monitor corporate governance developments and assist the Board in applying governance practices to meet the Board’s needs and stakeholders’ expectations;g) serve as a focal point for stakeholders’ communication and engagement on corporate governance issues; andh) carry out other functions as deemed appropriate by the Board from time to time. <p>The Company Secretaries constantly keep themselves abreast of the evolving capital market environment, regulatory changes and developments in corporate governance by attending the relevant continuous professional development training that are conducted by the Companies Commission of Malaysia and/or MAICSA as well as other professional bodies from time to time.</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>All Board members are supplied with information in a timely manner. Apart from the ad-hoc meetings, the due notice of at least seven (7) days is given to the Directors which allows the Directors to plan ahead and maximise their participation.</p> <p>Prior to each meeting, members of the Board and the Board Committees are provided with the meeting agenda and meeting materials, containing information to enable full deliberation on the issues to be considered at the meeting. The meeting papers provide amongst others, financial and corporate information, significant financial and corporate issues, the Group's performance and any management proposals which require the approval of the Board/Board Committees. This is to ensure that the Board/Board Committees have sufficient preparation time and information to make an informed decision at each meeting.</p> <p>The Board strives to circulate the meeting papers at least five (5) business days in advance of the meeting day moving forward.</p> <p>The MD and/or other relevant Board members and/or Senior Management of the Group will provide a comprehensive explanation of pertinent issues and recommendations. The issues would then be deliberated and discussed thoroughly by the Board prior to decision making. Proceedings of Board and Board Committees meetings are recorded in the minutes.</p> <p>The Company Secretaries would ensure that a statement of declaration of interest or abstention from voting and deliberation is recorded in the Minutes, if necessary.</p> <p>Minutes of the Board or Board Committees' Meetings which recorded the decisions and resolutions of the meetings would be distributed by the Company Secretary to all Directors on a timely basis for review and thereafter for confirmation at the next Board or Board Committees' Meetings. The Chairman of the Board Meeting signs the minutes as a correct record of the proceedings and thereafter, the said minutes of all proceedings are kept in the statutory book at the registered office of the Company to be made available for inspection under the Companies Act 2016.</p>

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

Intended Outcome

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

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

Practice 2.1

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

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

Application :	Applied
Explanation on application of the practice :	<p>The Board has a Board Charter outlining the roles, functions, composition and responsibilities of the Board of Directors of the Company and is to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members. The Board Charter is established to provide guidance and clarity for the Board's roles and responsibilities as well as the powers between the Board and the Senior Management, the different Board Committees established by the Board, between the Chairman and MD.</p> <p>The Board Charter of the Company is in place and is available at the Company's website. The Board Charter acts as a source reference and primary induction literature to provide insights to prospective Board members and Senior Management. In addition, it will assist the Board in the assessment of its own performance and of its individual Directors.</p> <p>A copy of the Board Charter is available on the Company's website at www.skpres.com.</p> <p>The roles and responsibilities of the Board of Directors, Senior Independent Director, Chairman, MD and Board Committees are clearly outlined in the Board Charter. In addition, the matters reserved for the Board are set out in Appendix A of the Board Charter.</p> <p>The Board acknowledges the importance of continuous education and training to equip themselves for the effective discharge of its duties. New appointees to the Board undergo a familiarisation programme, which includes visits to the Group's business operations and meetings with key management to facilitate their understanding of the Group's operations and businesses.</p> <p>Where possible, the Company Secretaries will inform the Directors of any updates/ briefings received from any authorities or training providers, to enable the Directors to keep abreast of the latest development/ updates on the relevant topics of interest.</p> <p>All members of the Board have attended the Mandatory Accreditation Programme prescribed by Bursa Securities.</p>

	<p>In order to ensure continuing education for the Board to enhance their knowledge and skills for better board participation during meetings, the Board members had attended the following training programmes/seminars/forums during the financial year under review:</p>	
	<p>Name of Directors</p>	<p>Training Programmes/Seminars/Forums Attended</p>
	<p>Tan Sri Datuk Hussin Bin Haji Ismail</p>	<ul style="list-style-type: none"> Malaysia Tax Budget Conference 2023: Riding the Post-Pandemic TIDE
	<p>Gan Poh San</p>	<ul style="list-style-type: none"> Understanding Financial Management for Company Directors and Senior Management
	<p>Koh Chin Koon</p>	<ul style="list-style-type: none"> 2023 Budget Seminar
	<p>Anita Chew Cheng Im</p>	<ul style="list-style-type: none"> Talk on ESC under the Listed Entity Director Programme organised by Singapore Institute of Directors Securities Commission Malaysia’s Audit Oversight Board Conversation with audit committee members
	<p>Goh Kah Im</p>	<ul style="list-style-type: none"> ESG Essentials, core module of SGX Listed Entity Director by Singapore Institute of Directors ESG: Living Up to the Sustainability Promise by Malaysia Institute of Accountants.
<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 3.1

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 established a Code of Ethics and Conduct (“Code”) that sets forth the standards of conduct required for all Directors, officers, managers and employees of SKP and its Group of Companies with the objective of ensuring their proper behaviour and ethical conduct.</p> <p>The Code covers all aspects of the Company’s business operations, such as customer relationships, personal benefits, conflict of interest, confidentiality, dealing in securities of the company, protection of assets and funds, the accuracy of public communication, quality management & environment management, health and safety, fair and courteous behaviour and etc.</p> <p>Each Director is routinely reminded of their obligations as stated in the Company’s Board Charter. The Directors have the duty to declare immediately to the Board their interests in any transactions to be entered into directly or indirectly within the Company/Group, in order to uphold good corporate integrity. A review of those interests has been undertaken by the Board at the Board meetings quarterly to ensure impartiality of the decisions made by the Board.</p> <p>The key features of the Code comprise the following:-</p> <ul style="list-style-type: none">(i) Integrity;(ii) Fair dealings;(iii) Customer relationships;(iv) Personal benefits;(v) Conflict of interest,(vi) Confidentiality;(vii) Dealing in the securities of the Company;(viii) Corporate opportunities;(ix) Private ventures;(x) Protection of assets and funds;(xi) Accuracy of public communications;(xii) Compliance to the law;(xiii) Quality management and environmental management;

	<p>(xiv) Health and safety; (xv) Fair and Courteous behaviour; (xvi) Reporting of possible violations of laws, rules, regulations; and (xvii) Discipline of violations.</p> <p>The Code is available for viewing on the Company's corporate website at www.skpres.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 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has adopted a Whistleblowing Policy to foster an environment where integrity and ethical behaviour are maintained and any illegal or improper action and/or wrongdoing in the Company may be exposed. The Whistleblowing Policy provides an avenue for any person including all employees of SKP and its Group of Companies to report concerns about any suspected and/or known improper conduct that they may observe in SKP.</p> <p>The Policy covers possible improper conduct such as:-</p> <ul style="list-style-type: none">a) Fraud;b) Corruption, bribery or blackmail;c) Criminal offences;d) Theft or embezzlement;e) Abuse of power;f) Conflict of Interest;g) Misuse of SKP's Property;h) Failure to comply with a legal or regulatory obligation;i) Miscarriage of justice;j) Endangerment of an individual's health and safety;k) Money laundering; andl) Concealment of any or a combination of the above. <p>The AC is responsible for the supervision of the enforcement of the Whistleblowing Policy. The AC shall receive information on each report of concern and ensure that follow-up actions are to be taken accordingly. The Chairman of AC, may direct the complaint to the division/department best placed to address it, or lead the investigation to ensure prompt and appropriate investigation and resolution.</p> <p>All disclosures can be made in a strictly confidential manner, marked "Confidential" to:</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"><p>The Chairman of AC SKP Resources Bhd No. 421, 4th Miles, Jalan Kluang, 83000 Batu Pahat, Johor Darul Takzim auditcom@skpres.com</p></div>

	<p>The Policy is available for viewing on the Company's website at www.skpres.com.</p> <p>The Board has established an Integrity Policy for the Group to be in line with the amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") in relation to the anti-corruption measures.</p> <p>The Policy is available for viewing on the Company's website at www.skpres.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 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 Company has a governance structure in place where the Board having highest authority is ultimately accountable for managing sustainability matters within the Group.</p> <p>The MD, with the support from the key senior management, supervises the implementation of sustainability practices and initiatives.</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 Company recognises that sustainability is pertinent for creating long term value for its business as well as its commitment as a responsible corporate citizen. As such, the Group engages with internal and external stakeholders through various channels to develop a better understanding of their needs and expectations as below:-</p> <ul style="list-style-type: none"> • Internal – Intranet portal, emails, employee engagement, townhall and dialogues, etc; and • External – corporate website, annual report, press releases, social media, events, roadshows, general meetings, quarterly financial announcements, etc. 	
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, through the NC, assesses the training programmes attended by each Director during the financial year to ensure they are kept abreast of the latest development in the industry, as well as emerging sustainability issues that are relevant to the Group.</p> <p>The Board continuously keep themselves abreast with and understanding of the sustainability agendas which are relevant to the Company and its business through periodical updates by Bursa Securities, Securities Commission Malaysia (“SC”) and the training programmes attended by them respectively.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board recognises the importance of sustainability in all its business operations and had included sustainability as one of the criteria in the performance evaluations of board members.</p> <p>The Board Effectiveness Evaluation for the financial year ended 31 March 2023 included an assessment of Board’s understanding of sustainability issues that are critical to the Company’s performance.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The NC continues to discharge their functions, review and consider refresh the composition of the Board periodically and to review the tenure of each Director and recommend Directors who are retiring by rotation for re-election which clearly stated in the TOR of NC.</p> <p>The NC annually reviews the performance of all directors including those seeking re-election based on competency, preparedness and independence (for independent directors). The Directors with satisfactory evaluation are recommended to the Board for re-election.</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>For FYE 2023, the Board of the Company consists of seven (5) members, comprising one (1) Managing Director and four (4) Non-Executive Directors, of whom three (3) are Independent Non-Executive Directors (“INEDs”) and one (1) Non-INED, and therefore the prescribed requirement for one-third of the membership of the Board to be independent Board members is fulfilled. This also applies to Practice 4.1 of the MCCG 2021 where at least half of the Board comprises independent directors. This independent element brings an objective and independent judgement to the decision-making process of the Board.</p> <p>The Board structure ensures that no individual or group of individuals dominates the Board’s decision-making process. The composition of the Board provides an effective blend of entrepreneurship, business and professional expertise in general management, finance, corporate affairs, legal and technical areas of the industry in which the Group operates. The individuality and vast experience of the Directors in arriving at collective decisions at board level will ensure impartiality.</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 5.3

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	:	As disclosed in the Board Charter, the tenure of an INED shall not exceed a cumulative term of nine (9) years. However, upon completion of the nine (9) years, the INED may continue to serve on the Board subject to his re-designation as NED. In the event the Director was to remain designated as an INED, the Board shall firstly provide justification, upon the recommendation of the NC and thereafter obtain the relevant Shareholders' approval. None of the Independent Directors has served more than nine (9) years on the Board as at the date of this CG Report.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 NC is responsible to identify and select potential new candidate(s) and making recommendations to the Board for the appointment of Director(s).</p> <p>In respect of the appointment of Directors, the Company practices a clear and transparent nomination process which involves the following:-</p> <ul style="list-style-type: none">• Identification of candidates;• Evaluating the suitability of candidates;• Discussion with the candidates on the proposed appointment;• Deliberation by the NC; and• Recommendation to the Board. <p>In the process of selecting and evaluating candidates for the Board, the NC has adopted the following selection criteria for the new appointment of Director(s) in order to ensure that the Board has the right mix of skills to meet its objectives:-</p> <ul style="list-style-type: none">• Required skills, knowledge, expertise and experience;• Time commitment, characteristics, professionalism and integrity;• Ability to work cohesively with other members of the Board;• Specialist knowledge or technical skills in line with the Group's strategy;• Diversity in age, gender and experience/background; and• Number of directorships of other listed issuers. <p>The Group Human Resources Function is responsible for the selection and appointment of candidates for Senior Management positions based on selection criteria which best matches the requirements of the open position. The selection criteria include (but are not limited to) diversity in skills, experience, age, cultural background and gender.</p>

	For FYE 2023, the NC had reviewed the working experience, skills, capability and competencies of Tan Sri Datuk Hussin, and recommended his appointment as an Independent Non-Executive Chairman of the Company, to the Board for approval. The Board would in turn, be recommending to shareholders his re-appointment at the forthcoming Annual General Meeting (“AGM”) of the Company.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 NC is responsible to identify and select potential new Directors and making recommendations to the Board for the appointment of Directors.</p> <p>In the event that candidate is required for the appointment of Director, the NC would use a variety of approaches and external sources to ensure that it identifies the most suitable candidates and will not limit itself by solely relying on the recommendations from existing Board members, management or major shareholders.</p> <p>As disclosed in the Practice 4.4 of this CG Report, the Board has through the NC, undergone the nomination process and selection criteria for the appointment of new Director(s).</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.7

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

Application	:	Applied	
Explanation on application of the practice	:	The details of the Directors interest, position and experience are set out in the Directors' profile in the Annual Report 2023. The performance of the retiring directors is assessed by the NC and the Board before recommendation is made to the shareholders for consideration. For INED, the NC also assesses their relationship with the executives that might influence, or reasonably be perceived to influence their capacity to bring an independent judgement and to act in the best interests of the Company as a whole.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The TOR of the NC specifies that the Chairman must be an INED.</p> <p>The present Chairman of the NC is Ms. Anita Chew Cheng Im, who is an Independent Non-Executive Director of the Company. Her profile is set out in the Annual Report 2023.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>For the FYE 2023 till the date of this Statement, the Board currently consist of one (1) female director who is Ms. Anita Chew Cheng Im.</p> <p>The Board has established a Board Diversity Policy which sets out the approach to diversity on the Board and Senior Management of the Company. Although the Board Diversity Policy does not set a specific target on the composition of the Board and Senior Management in terms of gender, age or ethnicity, the Board shall endeavour to achieve gender diversity as and when the opportunity arises. The Board is currently well represented by individuals drawn from distinctly diverse professional backgrounds in the fields of manufacturing, finance, taxation, audit and accounting. Additionally, the Group is an equal opportunity employer and all appointments and employments are based strictly on merits and are not driven by any racial, age or gender bias.</p> <p>At the juncture, the Board affirmed that in the event any Board seat becomes available, gender diversity shall be one of the criteria to be considered for reviewing and selecting potential candidate(s) for the Board's membership.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	If the Board decides to increase its board size in the future, the Board would consider gender diversity as one of its key considerations in its search criteria prior to making any appointment of Director(s).
Timeframe	:	Within 1 year

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 notwithstanding the view that diversity should be in tandem with expertise, experience and skills and not solely gender acknowledges the importance of the establishment of a gender diversity policy. The Board shall appoint female board representation as and when there is vacancy as well as when suitable and qualified candidates are identified.</p> <p>The Board has established a Board Diversity Policy and is available on Company's website at www.skpres.com.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Stakeholders are able to 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 Board, through the NC, conducted internally the following assessments on an annual basis:- (a) Effectiveness of the Board as a whole and the Committees of the Board; (b) Contribution and performance of each individual Director; (c) Contribution and performance of the AC and each individual AC member; and (d) Independence of INEDs. The Directors and Board Committees provided anonymous feedback on their peers' performance and individual contribution to the Board and respective Board Committees. The results were then collated by the Company Secretaries and tabled to the NRC for deliberation. Each Director has provided feedback on his contribution to the Board and the Board Committees. The review supported the Board's decision to endorse all retiring Directors standing for re-election. The evaluation report and the report on the Board's balance (the required mix of skills, experience and other qualities) were circulated to the Board for discussion during the Board Meeting. The results affirmed that the Board and each of its Board Committees continue to operate effectively.
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 has established a Remuneration Policy which sets out to provide remuneration principles and guidelines for the Executive Directors, Non-Executive Directors ("NEDs") of the Company to support business strategy for long term and strategic in nature with the aim to motivate the Directors to achieve the Group's business objective. The said Policy is available on the corporate website at www.skpres.com.</p> <p>Directors' fees payable to the NEDs are tabled to the shareholders for approval on an annual basis via the AGM of the Company.</p> <p>For the remuneration of Senior Management, the Company has adopted its guideline to determine their remuneration to be commensurate with experience, skills and education.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The RC has been established by the Board is comprising two (2) INEDs and one (1) Non-INED as follows:-</p> <p>The RC is governed by its TOR which outlines its remit, duties and responsibilities and the same is available for viewing on the Company's website at www.skpres.com.</p> <p>The RC shall meet at least once a year or more frequently as deemed necessary. The following activities were carried out for FYE 2023:-</p> <ul style="list-style-type: none">• Reviewed the remuneration packages of the EDs for the FYE 2023 and recommended the same to the Board for consideration;• Reviewed the performance bonus for the Group's EDs for the FYE 2023 and recommended the same to the Board for consideration;• Reviewed the Directors' Fees and recommended the same to the Board for consideration;• Reviewed the proposed remuneration package for the MD and recommended the same to the Board for consideration; and• Reviewed the proposed Chairman fee for the Independent Non-Executive Chairman and recommended the same to the Board for consideration.
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

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 named basis for the remuneration of individual Directors for FYE 2023 is disclosed on the next page.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance (EPF & SOCSO)	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance (EPF & SOCSO)	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Tan Sri Datuk Hussin Bin Haji Ismail (Appointed on 9 December 2022)	Independent Director	20	-	-	-	-	-	20	20	-	-	-	-	-	20
2	Gan Poh San	Executive Director	60	-	-	-	-	-	60	60	-	3,954	2,505	-	-	6,519
3	Koh Chin Koon	Non-Executive Non-Independent Director	60	-	-	-	-	-	60	60	-	-	-	-	-	60
4	Anita Chew Cheng Im	Independent Director	60	-	-	-	-	-	60	60	-	-	-	-	-	60
5	Goh Kah Im	Independent Director	60	-	-	-	-	-	60	60	-	-	-	-	-	60
6	Dato' Gan Kim Huat (Demise on 20 September 2022)	Executive Director	33	-	-	-	-	-	33	33	-	2,409	2,679	998	-	6,119
7	Koh Song Heng (Resigned on 23 September 2022)	Independent Director	30	-	-	-	-	-	30	30	-	-	-	-	-	30

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	:	The remuneration for the Key Senior Management (excluding the Managing Director and Executive Director of the Company) in bands of RM50,000 during the FYE 2023 are as follows:- <table border="1" data-bbox="587 949 1378 1092"><thead><tr><th>Range of remuneration (RM)</th><th>Number of Key Senior Management</th></tr></thead><tbody><tr><td>RM450,001 – RM500,000</td><td>1</td></tr><tr><td>Total</td><td>1</td></tr></tbody></table> <p>The Board was of the view that it is inappropriate to disclose the names and detailed remuneration of Senior Management staff other than the Executive Directors given the competitive industry and such disclosure would have an adverse effect on the Company's talent retention and give rise to recruitment issues.</p> <p>All Senior Management are remunerated based on their scope of duty and responsibilities, the Group's and individual performance and other criteria.</p>		Range of remuneration (RM)	Number of Key Senior Management	RM450,001 – RM500,000	1	Total	1
Range of remuneration (RM)	Number of Key Senior Management								
RM450,001 – RM500,000	1								
Total	1								
<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 disclosing the top five senior management's remuneration on a named basis.							
Timeframe	:	Others	1						

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 AC is chaired by Mr. Goh Kah Im, the INED of the Company, which is a separate person from the chair of the Board. The AC comprises a majority of INEDs.</p> <p>The membership, a summary of activities of the AC and Internal Audit Function in respect of the FYE 2023 are stated in the AC Report of the Annual Report 2023.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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 TOR of the AC has been updated accordingly to formalise the Company's policy that requires a former audit partner as a member of AC shall observe a cooling-off period of at least three (3) years before being appointed as a member of AC.</p> <p>None of the members of the Board was former audit partners and notwithstanding the above provision and in order to uphold the utmost independence, the Board has no intention to appoint any former audit partner as a member of the Board.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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>For FYE 2023, the AC conducted an assessment of the suitability and independence of the External Auditors, Ernst & Young PLT. In this assessment, the AC had considered inter alia, the following factors:-</p> <p>For "suitability" assessment:-</p> <ul style="list-style-type: none">• The External Auditors have the adequate resources, skills, knowledge and experience to perform their duties with professional competence and due care in accordance with approved professional auditing standards and applicable regulatory and legal requirements;• To the knowledge of the AC, the External Auditors do not have any record of disciplinary actions taken against them for unprofessional conduct by the Malaysian Institute of Accountants ("MIA") which has not been reserved by the Disciplinary Board of MIA;• The External Auditors have the geographical coverage required to audit the Group;• The External Auditors advise the AC on significant issues and new developments pertaining to risk management, corporate governance, financial reporting standards and internal controls on a timely basis;• The External Auditors consistently meet the deadlines set by the Group;• The level of quality control procedures in the external audit firm, including the audit review procedures; and• The External Auditors' scope is adequate to cover the key financial and operational risks of the Group. <p>For "objectivity" assessment:-</p> <p>The nature and extent of the non-audit services rendered and the appropriateness of the level of fees.</p> <p>For "independence" assessment:-</p> <ul style="list-style-type: none">• The engagement partner has not served for a continuous period of more than seven (7) years with the Company;

	<ul style="list-style-type: none"> • The AC receives written assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements; and • Tenure of the current auditors. <p>The AC has obtained confirmation from the External Auditors, Ernst & Young PLT that they are independent in accordance with the By-laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants.</p> <p>Moreover, the AC has also formalised a Non-Audit Services Policy governing the types of non-audit services permitted to be provided by the External Auditors. The said Policy provides for safeguards which may be considered, including having an engagement team different from the external audit team to provide non-audit services.</p> <p>Upon completion of its assessment, the AC was satisfied with the performance and independence of the External Auditors and recommended the re-appointment of the External Auditors for the financial year ending 31 March 2024. The Board approved the recommendation of the AC for the shareholders' approval to be sought at the forthcoming AGM of the Company on the re-appointment of the External Auditors for the financial year ending 31 March 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

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The members of the AC collectively have the necessary skills and a wide range of experience and expertise in areas such as accounting, audit, finance, taxation, business acumen and analytical skills and management.</p> <p>The AC has conducted self and peer evaluations to assess the performance and skillsets of the individual AC members and their peers. The evaluation results were compiled by the company secretary and tabled for the NC review.</p> <p>Based on the results of the assessment, the AC members are financially literate and understand the Group's business. The AC as a whole, has the necessary skills and knowledge to discharge their duties. The AC members had also given feedback to their peers on areas of focus for enhancement.</p> <p>The members of the AC have attended various continuous training and development programmes as detailed in this Corporate Governance Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>Risk management is an integral element in the Group's business management, strategic planning and operational goal setting. The task of risk management is to identify, manage and track major risks in the Company's business and business environment to enable the Company to achieve its strategic and financial goals in the best possible way. Identified risks are assessed and prioritised according to their likelihood and their potential impact on the Company's operations and financial performance.</p> <p>During the FYE 2023, both the risk management and internal control functions were assumed and overseen by the AC. The Senior Management and Heads of Departments are delegated with the responsibility to monitor and manage risks covering their respective areas of responsibility. During the monthly management meetings, key risks and mitigating controls are assessed, reviewed and deliberated upon. Significant risks, if any, affecting the Group's strategic and business plan are then presented to the AC and onwards to the Board at their scheduled meetings.</p> <p>The Board has formed a RMC to oversee the Company's risk management framework and policies, which would subsequently take over the duties in relation to oversight of risk management function. The RMC has constituted a Risk Management Working Group ("RMWG"). The purpose of the formation of this RMWG is to assist the RMC in fulfilling its oversight responsibilities with respect to the Group's risk management processes, including assessment of key strategic and operational risks.</p> <p>The Board has also established a framework for risk management and internal control. Further details on the features of the risk management and internal control framework, and the adequacy and effectiveness of the framework have been disclosed in the Statement on Risk Management and Internal Control of the Annual Report.</p>
Explanation for departure	:	

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

Intended Outcome

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 Statement on Risk Management and Internal Control as set out in Annual Report 2023 provides an overview of the features of risk management framework and internal control processes within the Group.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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	:	Adopted
Explanation on adoption of the practice	:	The RMC of the Company comprises a majority of INEDs.

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 is carried out by an external consultant, MAC & Associates PLT. The external consultant was engaged by the Company to identify and assess the principal risks and to review the adequacy and effectiveness of the internal controls of the Group and the Internal Auditors report directly to the AC and provide the Board with reasonable assurance of adequacy of the scope, functions and resources of the internal audit function.</p> <p>The internal audit function is independent and performs audit assignments with impartiality, proficiency and due professional care.</p> <p>The internal audit review of the Group's operations encompasses an independent assessment of the Company's compliance with its internal controls and recommendations are made for further improvement.</p> <p>The following matters (non-exhaustive), in relation to the internal audit function of the Group, are reserved matters for the AC:-</p> <ul style="list-style-type: none">(a) Consider the appointment of the internal auditors, the audit fee and any questions of resignation or dismissal including recommending the nomination of person(s) as auditors;(b) Review the internal audit plan, consider the internal audit reports and findings of the internal auditors, fraud investigations and actions and steps taken by Management in response to audit findings; and(c) Review any appraisal or assessment of the performance of members of the internal audit function. <p>During the FYE 2023, the AC assessed and reviewed the effectiveness of the Internal Auditors in respect of FYE 2022 by reviewing its performance, competency and independence, as well as the adequacy of resources to carry out their work effectively.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied										
Explanation on application of the practice	:	<p>The Group has appointed an outsourced internal audit service provider, Mac & Associate PLT to carry out the internal audit function.</p> <p>The purpose of the internal audit function is to provide the Board, through the AC, reasonable assurance of the effectiveness of the system of internal control in the Group.</p> <p>The internal audit function is independent and performs audit assignments with impartiality, proficiency and due professional care.</p> <p>The profile of MAC & Associate PLT is set out as follows:-</p> <table border="1"> <tr> <td>Date of Appointment</td> <td>17 February 2012</td> </tr> <tr> <td>Principal Engagement Lead</td> <td>Mr. Chuah Lai Meng</td> </tr> <tr> <td>Qualifications</td> <td> <p>Mr. Chuah is a Chartered Member of the Institute of Internal Auditors, Malaysia and possesses the prestigious professional qualification of Certified Internal Auditor and Bachelor of Business (major in Accounts and Finance).</p> <p>He is also a trained and certified Quality Assurance Review Assessor and Control Self-Assessment of the Institute of Internal Auditors, USA (IIA Inc).</p> </td> </tr> <tr> <td>Experiences</td> <td>Mr. Chuah has over 20 years of internal audit experience in professional and commercial environments of various industries.</td> </tr> <tr> <td>Number of resources</td> <td>6 employees</td> </tr> </table>	Date of Appointment	17 February 2012	Principal Engagement Lead	Mr. Chuah Lai Meng	Qualifications	<p>Mr. Chuah is a Chartered Member of the Institute of Internal Auditors, Malaysia and possesses the prestigious professional qualification of Certified Internal Auditor and Bachelor of Business (major in Accounts and Finance).</p> <p>He is also a trained and certified Quality Assurance Review Assessor and Control Self-Assessment of the Institute of Internal Auditors, USA (IIA Inc).</p>	Experiences	Mr. Chuah has over 20 years of internal audit experience in professional and commercial environments of various industries.	Number of resources	6 employees
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Experiences	Mr. Chuah has over 20 years of internal audit experience in professional and commercial environments of various industries.											
Number of resources	6 employees											

	For FYE 2023, Mac & Associate PLT engagement team personnel have affirmed to the AC that in relation to the Company/Group, they were free from any relationships or conflicts of interest, which could impair their objectivity and independence.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the value of transparent, consistent and coherent communications with the investing community consistent with commercial confidentiality and regulatory considerations. Accordingly, the Board has formalised the Corporate Disclosure Policy and Procedures aimed to assist the Board and relevant personnel within the Company in proper disclosure practices which is comprehensive, accurate and made on a timely basis without any bias and selective disclosure.</p> <p>The Company aims to build long-term relationships with shareholders and potential investors through appropriate channels for disclosure of information. The Group has established a comprehensive website at www.skpres.com which includes a dedicated section on Investor Relations, to further enhance shareholder communication.</p> <p>Investors are provided with sufficient business, operations and financial information on the Group through the website to enable them to make informed investment decisions.</p> <p>The Company's website provides all relevant information on the Company and is accessible to the public. The Investor Relations section enhances the Investor Relations function by including all announcements made by the Company, annual reports as well as the corporate and governance structure of the Company.</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	:		
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Intended Outcome

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

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

Practice 12.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company would review the need to adopt integrated reporting based on a globally recognised framework at the appropriate time.	
		At present, the Board is of the view that the Company's Annual Report and announcements to Bursa Securities are comprehensive enough for stakeholders to make informed decisions.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Company will consider the adoption of integrated reporting based on a globally recognised framework in the near future.	
Timeframe	:	Within 1 years	

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 Company despatches the notice of its AGM together with the Annual Report at least 28 days before the AGM to give sufficient time to shareholders to make the necessary arrangements to participate in person or through corporate representatives, proxies or attorneys and to let the shareholders consider the resolutions that will be tabled at the AGM. The Notice of AGM, which sets out the businesses to be transacted at the AGM, is also published in a nationally circulated newspaper as well as announced to Bursa Securities.</p> <p>The notes to the Notice of AGM also provide a detailed explanation for each resolution proposed to enable 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 the Directors were present at the Twenty-Second AGM (“22nd AGM”) of the Company held on 23 September 2023 to engage with the shareholders personally and proactively.</p> <p>In accordance with the Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia, the 22nd AGM was conducted fully virtual via live streaming webcast where all the Directors participated the 22nd AGM remotely from their respective locations.</p> <p>The Chairmen of the Board Committees have participated remotely in both meetings to address any questions from shareholders in respect of matters that fall under the purview of the Board Committees.</p> <p>In addition to the above, members of the Senior Management and External Auditors of the Company have also participated remotely and will continue to attend the AGM to respond to the shareholders’ queries.</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 13.3

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 22nd AGM of the Company was held via live streaming webcast and online remote voting using the remote participation and voting (“RPV”) facilities, provided by SS E Solutions Sdn. Bhd. via its Securities Services e-Portal (“SSeP”) at https://sshsb.net.my/, without physical attendance by shareholders, proxy and corporate representatives in view of the Covid-19 pandemic and in compliance with the Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia.</p> <p>By utilising the RPV facilities via SSeP, shareholders were able to remotely participate, speak (by way of posing questions to the Board via real time submission of typed texts) and cast their votes at the 22nd AGM of the Company through the SSeP.</p> <p>The voting at the 22nd AGM were conducted by way of poll in accordance with Paragraph 8.29A of the Main LR of Bursa Securities. The Company had appointed SS E Solutions Sdn. Bhd. as Poll Administrator to conduct the electronic polling process and Commercial Quest Sdn. Bhd. as Independent Scrutineers to verify the results of the poll voting.</p> <p>The poll voting results were tabled to the shareholders after the same has been verified by the appointed Independent Scrutineer. Poll voting results are announced on the same day through BursaLINK services.</p> <p>In light of the Covid-19 pandemic, the Company will continue to conduct virtual general meetings through live streaming webcast and using RPV facilities to enhance the quality of engagement with its shareholders and facilitate further participation by shareholders at the forthcoming AGM in accordance with the Company’s Constitution. The shareholders who attended the AGM via RPV facilities could also submit their questions during the Meetings for the Boards to respond.</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: The 22nd AGM held on 23 September 2022 was a fully virtual meeting. The shareholders were allowed to submit their questions electronically through the online platform provided by SS E Solutions Sdn. Bhd. via SSeP at https://sshsb.net.my/ prior to Meetings, or used the query box to transmit questions to the Board of Directors via RPV facilities during live streaming of the Meetings. The Chairman of the Meetings had also informed the shareholders during the live streaming of the Meetings that they could submit their questions and comments to the Board during the Meetings via the RPV facilities; and the answers to all the questions were addressed accordingly before the commencement of the poll voting. Shareholders were given sufficient opportunity to pose their questions before and during the Meetings. The Company had ensured that all the questions were answered.
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.

<p><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></p>	
Application	: Applied
Explanation on application of the practice	: <p>In view of the Covid-19 pandemic, the 22nd AGM were held virtually.</p> <p>The RPV facilities hosted on SSeP at https://sshsb.net.my/ provided by SS E Solutions Sdn. Bhd. allowed shareholders to pose questions to the Board and the Chairman of the Meetings via typed text in the query box. The shareholders submitted their questions at any time from the day of notice of the Meetings and up to the time when the Meeting was in progress.</p> <p>At the “Questions and Answers” session in the agenda of the Meetings, the SSeP platform had the facilities to live broadcast the questions/remarks and answers, and the shareholders had experienced real time interaction with the Board during the Meetings.</p> <p>The questions and answers were subsequently minuted in the AGM Minutes of the Company and posted on the Company’s corporate website.</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 13.6

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 22nd AGM was made available to shareholders to view from the Company's corporate website at www.skpres.com .
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

**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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