

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7048
COMPANY NAME : ATLAN HOLDINGS BHD
FINANCIAL YEAR : February 28, 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 PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is responsible for the leadership, oversight and overall management of the Company. An effective Board is one made up of a combination of the Executive Chairman and Executive Director with intimate knowledge of the business and Non-Executive Directors from diversified industry/business background to bring wide-ranging business and commercial experience to the Group. The Board has the overall responsibility for corporate governance, establishing goals, strategies and direction, reviewing the Group's performance and critical business issues and ultimately the enhancement of long-term shareholders' value. It monitors and delegates the implementation of the strategic direction to the management.</p> <p>The Directors collectively, with their different background and specialisation, bring with them a diverse wealth of experience and expertise in areas such as business, finance, legal, regulatory and operations which is relevant to the Group. A brief profile of each individual Director is set out in this Annual Report.</p> <p>At each Audit and Risk Management Committee ("ARMC") meeting and Board meeting, and as and when the need arises, the respective personnel from the Management would brief the Directors on the current operations, issues faced and plans of the Group in order for the Board to be kept abreast on the conduct, business activities and development of the Group, and to discuss and advise the Management in its formulation of the Group's business strategies, both short-term and long-term. Discussions would include the deployment of resources efficiently and effectively in achieving the objectives to be met. In making its decisions, the Board would be guided by the Group's values and standards.</p> <p>The Board's role is to oversee the performance of the Management to determine whether the business is properly managed. The Board gets updates from Management at the</p>

	<p>quarterly Board meetings when reviewing the quarterly results. During such meetings, the Board participates actively in the discussion on the performance of the Company and the Group and also assesses the performance of the Management.</p> <p>The Board has a formal schedule of matters reserved for its decision which include, amongst others, the following: -</p> <ul style="list-style-type: none"> i) Reviewing and adopting strategic plans for the Company and the Group which will enhance the future growth of the Company and the Group; ii) Reviewing and evaluating key policies adopted by the Company and the Group; iii) Overseeing the conduct of the Group's businesses to evaluate whether the businesses are being properly managed; iv) Identifying principal risks of the business and ensuring the implementation of appropriate systems to manage these risks; v) Reviewing the adequacy and integrity of the Group's internal control systems and management information systems; vi) Establish Board committees and be responsible for all decisions made by the committees; vii) Reviewing and approving unaudited quarterly results and audited financial statements; viii) To ensure all candidates appointed to senior management positions are of sufficient caliber and satisfied that there are programmes in place to provide for the orderly succession of senior management; and ix) Overseeing the development and implementation of shareholder communications policy for the Company.
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</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 Board is helmed by the Executive Chairman, Dato' Sri Adam Sani Bin Abdullah who demonstrates strong leadership and oversees the effectiveness of the Board. Dato' Sri Adam Sani Bin Abdullah works closely with the rest of the Board members in forming policies and strategies to align business activities driven by the Management team.</p> <p>The responsibilities of the Chairman are clearly defined in the Board Charter. They include, but are not limited to, the following:</p> <ul style="list-style-type: none"> - • To provide leadership to the Board, and oversee the Board in the effective discharge of its fiduciary duties; • To set the agenda for Board Meetings and ensure efficient and effective conduct of the Board Meetings; • To ensure that complete and accurate information to facilitate decision-making are provided to the Board members in a timely manner; • To lead Board Meetings and encourage active participation and allow dissenting views to be freely expressed; • To promote constructive and respectful relations between Board members and manage the interface between the Board and Management; • To ensure that appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole; and • To lead the Board in establishing and monitoring good corporate governance in the Company.
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	

Timeframe	:		
------------------	---	--	--

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Executive Chairman of the Board and the Executive Director are held by two (2) different individuals with clearly accepted divisions of power and responsibilities as outlined in the Board Charter. The position of Executive Director is held by Mr. Lee Sze Siang. This is to ensure a balance of power and authority, such that no one (1) individual has unfettered powers of decision-making.</p> <p>The Executive Chairman is responsible for leading the Board in its collective oversight of Management and ensuring the effectiveness of the Board matters whilst the Executive Director is responsible to implement the policies and strategies approved by the Board for the purposes of running the business and the day-to-day management of the Company. These divisions of responsibilities are set out in the Company's Board Charter.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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, Dato' Sri Adam Sani Bin Abdullah is not a member of the Audit Committee, Nomination Committee or Remuneration Committee.
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by two (2) suitably qualified and competent Company Secretaries. Both Company Secretaries are qualified Chartered Secretaries as per Section 235(2)(a) of the Companies Act 2016 registered with the Companies Commission of Malaysia and are Fellow members of the Malaysian Association of the Institute of Chartered Secretaries and Administrators ("MAICSA").</p> <p>The Board has ready and unrestricted access to the advice and services of the Company Secretaries, who are considered capable of carrying out the duties to which the post entails.</p> <p>In performing their duties, the Company Secretaries carry out, amongst others, the following tasks:-</p> <ul style="list-style-type: none">• Statutory duties as required under the Companies Act 2016, Listing Requirements of Bursa Securities, Capital Market and Services Act 2007;• Facilitating and attending Board Meetings and Board Committee Meetings, respectively;• Facilitating and attending the General Meeting(s);• Ensuring that Board Meetings and Board Committee Meetings, respectively are properly convened and the proceedings are properly recorded;• Ensuring timely communication of the Board level decisions to the Management for further action;• Ensuring that all appointments to the Board and/or Board Committees are properly made in accordance with the relevant regulations and/or legislations;• Maintaining records for the purpose of meeting statutory obligations of applicable jurisdictions;• Facilitating the provision of information as may be requested by the Directors from time to time in a timely manner and ensuring adherence to Board policies and procedures;• Facilitating the conduct of the assessments to be undertaken by the Board and/or Board Committees as well as to compile the results of the assessments for the Board and/or Board Committee's notation;• Assisting the Company on the lodgments of documents with relevant statutory and regulatory bodies;

	<ul style="list-style-type: none"> • Assisting the Board with the preparation of announcements for release to Bursa Securities; and • Rendering advice and support to the Board and Management. <p>The Company Secretaries keep the Board abreast with the latest regulatory updates and also ensure that deliberations at Board and Board Committee meetings are well documented.</p> <p>During the FY2023, the Company Secretaries discharged their duties and responsibilities accordingly, and they had and will continue to constantly keep themselves abreast on matters concerning company law, the capital market, corporate governance, and other pertinent matters, and with changes in the regulatory environment through continuous training and industry updates.</p> <p>The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in discharging their functions and duties.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board meets at least once every quarter, to consider all matters relating to the overall control, business performance and strategy of the Company and the Group. Additional meetings will be called when and if necessary.</p> <p>All Board and Board Committee meetings and Annual General Meeting ("AGM") for each financial year are scheduled before the end of the preceding financial year to ensure sufficient time is given to the Directors to plan their schedules and enable them to attend the meetings.</p> <p>Prior to the scheduled meeting, Directors will be provided a structured agenda together with management reports and proposal papers in a timely manner. All Directors have full and timely access to information through the Board papers distributed in a timely manner prior to the Board meetings. The Board papers provide, among others, periodic financial information, annual budget, operational and corporate issues, investment proposals and Management proposals that require Board's approval.</p> <p>Management staff may be invited to attend Board meetings to provide the Board with detailed explanations and clarifications on certain matters that are tabled to the Board. All Directors have unrestricted access to information within the Group. The Directors may seek advice from the Management on issues under their respective purview. The Directors may also interact directly with the Management, or request further explanation, information or updates on any aspect of the Group's operations or business concerns from them. In this way, the Board has full access to all information on the Company and the Group's affairs to enable the proper discharge of duties.</p> <p>All deliberations and decisions made at the Board meetings are recorded by the Company Secretaries including whether there were any Directors abstained from voting or deliberating on a particular matter. Minutes of the meeting are circulated to the Board and the Management for review and comments in a timely manner before the minutes of the last Board meeting are confirmed at the next Board meeting.</p>

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

Intended Outcome

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 understands the importance of the roles and responsibilities between the Board and Management. The Board has a Board Charter, which includes a formal schedule of matters reserved for the Board. The said schedule details the responsibilities of the Board and Board-Management relationship, including management limitations. With this, the respective functions, roles and responsibilities of the Directors and Management are clearly set out in the Board Charter as guidance and clarity to enable them to effectively discharge their duties.</p> <p>The Board Charter of the Company encompasses the governance and structure of the Board, authority, major responsibilities and terms of reference of the Board and Board Committees, matters reserved for the Board, and guidance on Board's conduct.</p> <p>The Board reviews the Board Charter periodically, when necessary, to ensure it remains relevant and effective at the prevailing time and business environment. The Board Charter was last reviewed and approved by the Board on 27 April 2023.</p> <p>The Board Charter is available on the Company's website at https://www.atlan.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established and implemented policies to guide Directors, employees and stakeholders that engenders integrity, transparency and fairness. This is to actively nurture a strong corporate culture throughout the Group which promotes commitment to performance with integrity.</p> <p>Employees are introduced to the ethical corporate culture of the Group during employee induction and thereafter, employees are constantly monitored to ensure the culture is upheld in their dealings within the Group and also in their association with customers, distribution, suppliers, governmental and regulatory authorities and other business associates. Any employee may report directly to the Executive Chairman of any ethical misconduct discovered within the Group.</p> <p>The members of the Board conduct themselves in an ethical manner while executing their duties and functions and comply with the Company's Code of Conduct and Ethics.</p> <p>In addition to the Company's Code of Conduct and Ethics, the Group also gives emphasis on the behavioral ethics and conduct that sets out the sound principles and standards of good practice within the Group's business landscape, which are expected to be observed by the Directors and employees. Both Directors and employees are required to uphold the highest integrity in discharging their duties and in dealings with various stakeholders such as shareholders, customers, fellow employees and regulators.</p> <p>The Company's Code of Conduct and Ethics is available on the Company's website at https://www.atlan.com.my.</p>
Explanation for departure	:	

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

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group has adopted a whistleblowing policy whereby accessible channels are provided for employees to raise concerns about possible improprieties in matters of financial reporting or other matters which they may become aware and if such event occurs, to ensure that: -</p> <ul style="list-style-type: none">(i) Independent investigations are carried out in an appropriate and timely manner;(ii) Appropriate action is taken to correct the weakness in internal controls and policies which allowed the perpetration of fraud and/or misconduct and to prevent a recurrence; and(iii) Administrative, disciplinary, civil and/or criminal actions that are initiated following the completion of investigations are appropriate, balance and fair, while providing reassurance that employees will be protected from reprisals or victimisation for whistleblowing in good faith and without malice. <p>In line with the Listing Requirements of Bursa Securities in relation to anti-corruption measures, an Anti-Bribery and Corruption Policy & Guidelines has been adopted by the Group which sets out the parameters and guidelines to prevent the occurrence of bribery and corrupt practices and to maintain integrity and work ethics in the conduct of the Group's business and operations. The Anti-Bribery and Corruption Policy & Guidelines provides guidance to all employees and associates of the Group relating to acts of bribery and corruption.</p> <p>The whistleblowing policy and Anti-Bribery and Corruption Policy & Guidelines are published on the Company's website at https://www.atlan.com.my.</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied	
Explanation on application of the practice	:	The Board considers sustainability a part of its strategic formulation and in determining material Economic, Environmental, Social and Governance (“EESG”) factors of the Group. The Board is responsible for overseeing the development and adoption of a sustainability framework. These sustainability efforts are steered and implemented by the Executive Director and the Sustainability Working Group. The Sustainability Working Group manages the day-to-day sustainability projects and initiatives, and also to ensure the Key Business Functions are able to complete their plans, meet their timeline and provide accurate information for sustainability disclosure.	
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	:	In determining the Company’s long-term strategy and success, the Board ensures that the sustainability strategies, priorities and targets are communicated well to the internal and external stakeholders. In order to communicate these updates to the stakeholders, a comprehensive description of the Company’s sustainability path has been outlined in the annual Sustainability Statement which is part of the Company’s Annual Report. This information is accessible both in hard copy and in the Company’s website. The Sustainability Statement is on pages 28 to 53 of the Annual Report 2023.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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	:	The Board will take part in initiatives to stay abreast of sustainability issues relevant to the Group and the industry. The Board will also take the necessary steps to undertake professional training, development programmes, and activities related to sustainability and governance issues which will include climate-related risks and opportunities.	
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	:	The Board recognises the importance of sustainability in all its business operations and has included review of efforts to address material sustainability risks and opportunities as a vital criterion in the performance evaluation of its board members in the FY2023. The criteria set were broadly based on the assessment framework by the MCCG and the Listing Requirements of Bursa Securities.	
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	:	Adopted
Explanation on adoption of the practice	:	The Executive Director is the designated person to ensure that the sustainability framework is adhered to within the Group and continuously engages with relevant internal and external stakeholders such as employees, customers, suppliers, regulators, investors, industry association and the community to ensure the Group's sustainability focus areas remain relevant and also to identify new ones that could add value to the businesses and stakeholders.

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Nomination Committee assesses on annual basis the composition of the Board to ensure that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision making.</p> <p>It also conducted an assessment of the Directors who were subject to retirement at the forthcoming 34th Annual General Meeting ("AGM") in accordance with the provisions of the Constitution of the Company, the relevant provisions of the Companies Act 2016 as well as the best practices recommended by the MCCG. Upon recommendation by the Nomination Committee of the proposed re-election of the relevant directors, the Board had recommended and supported the re-election of the relevant Directors to be tabled at the 34th AGM for shareholders' approval.</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>The Board currently comprises five (5) Independent Non-Executive Directors including a Senior Independent Director, two (2) Non-Independent Non-Executive Directors and two (2) Executive Directors. Accordingly, the following prescribed requirements have been fully complied by the Board: -</p> <ul style="list-style-type: none">• Paragraph 3.04(1) of the Listing Requirements of Bursa Securities which stipulates that at least 2 directors or 1/3 of the board of directors, whichever is the higher, are independent directors; and• Practice 4.1 of the MCCG, where at least half of the board comprises Independent Director. <p>The Independent Non-Executive Directors of the Company are independent of management and free from any business relationship which could materially interfere with the exercise of their judgment. They provide guidance, unbiased, fully balanced and independent views, advice and judgment to many aspects of the Group's strategy so as to safeguard the interests of minority shareholders and to ensure that the highest standards of conduct and integrity were maintained by the Group.</p> <p>The Board places great importance on its Independent Directors where they serve as an essential source of impartial and professional guidance to protect the interest of the shareholders. The Independent Non-Executive Directors are professionals of high caliber and credibility who play a pivotal role in corporate accountability by contributing their knowledge, advice and experience towards making independent judgment on issues of strategies, performance, resources and standards of conducts.</p> <p>The Board is satisfied that the Independent Directors represent the interest of public shareholders in the Company and the Board has appointed Tuan Haji Mohd Jaffar Bin Awang (Ismail) as the Senior Independent Non-Executive Director, who acts as:</p> <ul style="list-style-type: none">• A sounding board for the Chairman;• An intermediary for other Directors when necessary; and• the point of contact for shareholders and other stakeholders in cases of query or concern raised.

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	:	<p>The Board is mindful that the recommendation of Practice 5.3 of the MCCG which required the tenure of an independent director does not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) 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 (9) years, it should justify and seek annual shareholders' approval through a two-tier voting process.</p> <p>The Board has not adopted a policy that limits the tenure of its Independent Directors to nine (9) years, being a step-up practice.</p> <p>The Board through the Nomination Committee assesses the Independent Directors on an annual basis, with a view of ensuring the Independent Directors bring independent and objective judgment to the Board and this mitigates arising from conflict of interest or undue influence from interested parties. Where there is a likely conflict of interest position, the Board would take appropriate action to rectify the situation. Should any Director have an interest in any matter under deliberation, he is required to disclose his interest and abstain from participating discussions on the matter.</p> <p>In ascertaining the independence status of the Directors, the Board believes that tenure should not form part of the assessment criteria. It is of the view that the fiduciary duties of Directors are the primary concern of all Directors, regardless of their status. The Board firmly believes that the ability of a Director to serve effectively is dependent on his/her calibre, qualification, experience and personal qualities, particularly his/her integrity and objectivity. It also believes there are significant advantages to be gained from long-serving Directors who possess insight and knowledge of the Company's business and affairs in view of the continuous challenges faced by the Company.</p> <p>Dato' Woo Hon Kong ("Dato' Woo") was appointed to the Board as an Independent Non-Executive Director on 16 May 2014 and his tenure in office is more than nine (9) years as at 16 May 2023.</p>

	<p>Both the Nomination Committee and the Board on 27 April 2023 assessed the independence of Dato' Woo, and were satisfied with his skills, contribution and independent judgements. Besides, Dato' Woo remained objective and independent in expressing his views and in participating in deliberation and decision making of the Board and Board Committees. His length of service on the Board does not in any way interfere with his exercise of independent judgement and ability to act in the best interests of the Company. In addition, Dato' Woo has confirmed and declared in writing that he is Independent Director and he has satisfied all the criteria of an Independent Director as set out in Paragraph 1.01 of the Listing Requirements of Bursa Securities.</p> <p>The Company will seek shareholders' approval for retaining Dato' Woo who has served more than nine (9) years as Independent Director through the usual voting practice at this forthcoming 34th AGM. This is in accordance with the general rule of voting as provided by the Companies Act 2016 which states that every shareholder has one (1) vote for every share he holds and resolutions are to be passed by a simple majority for Ordinary Resolutions and 75% of votes for Special Resolutions.</p> <p>In this respect, the Company will be seeking shareholders' approval at this forthcoming 34th AGM to retain Dato' Woo as Independent Director 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

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

Practice 5.4 - Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board endeavours to ensure that it consists of individuals with a diverse background equipped with professional and technical knowledge to effectively carry out its roles as the representative to the interests of shareholders.</p> <p>The Nomination Committee is mindful of its responsibilities to conduct all Board appointments processes through various approaches in a manner that promotes diversity in the Board which can offer greater depth, breadth and lead to better decisions made while taking into account suitability for the role. It will also take into consideration Board balance and composition, the required mix of skills, the candidates' background, knowledge, integrity, competency, experience and potential contribution to the Group. In the case of candidates for the position of Independent Director, the Nomination Committee will also evaluate each candidate's ability to discharge responsibilities and functions as expected from an Independent Director.</p> <p>A Directors' Fit and Proper Policy has been established to guide the Nomination Committee in the review and assessment of candidates that are to be appointed to the Board as well as Directors who are seeking re-election or re-appointment.</p> <p>The Board, through the Nomination Committee, considers annually the time commitment expected from each of the Director to meet the expectations of their role. The Board is also expected to attend the AGM, engage with stakeholders and participate in the Board evaluation process.</p> <p>Currently, several Directors hold more than two external appointments. The Board has considered these external commitments, taking into account the time commitment required for each role, and is satisfied they do not impact upon the individual Board members' ability to discharge their responsibilities fully and effectively. As evidenced in this</p>

	statement, in FY2023, the majority of the Directors have attended all the Board and Board Committees meetings 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 Board is responsible for the appointment of new Directors. The Nomination Committee is delegated with the role of screening and conducting initial selections, which may include external searches, before making a recommendation to the Board.</p> <p>The Nomination Committee is also empowered to bring to the Board, recommendations as to the appointment of any new director or to fill board vacancy as and when it arises. In making its recommendation, the Nomination Committee will consider the required mix of skills, knowledge, expertise, experience and other qualities, including core competencies which Directors of the Company should bring to the Board. Nomination Committee has the authority to obtain the services of professional recruitment firms to source candidates for directorship or seek independent professional advice whenever necessary.</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	:	<p>The performance of retiring Directors recommended for re-election at the 33rd AGM had been assessed through the Board annual evaluation (including the independence of Independent Non-Executive Director). A statement by the Board and Nomination Committee being satisfied with the performance and effectiveness of the retiring Directors who offered themselves for re-election at the 33rd AGM has been stated in the explanatory notes of the Notice of 33rd AGM.</p> <p>The retiring Directors at the 33rd AGM pursuant to Regulation 100 of the Constitution were Dato' Sri Adam Sani Bin Abdullah, Dato' Sri Robin Tan Yeong Ching and Mr. Tan Thiam Chai ("Retiring Directors"). All of them have consented to continue in office and accordingly offered themselves for re-election at the 33rd AGM.</p> <p>After assessing the contributions of the Retiring Directors in terms of guidance and time devoted to the Board affairs and in virtue of their skills and experience respectively, the Nomination Committee had recommended the re-election of Retiring Directors at the 33rd AGM.</p> <p>The Board, being satisfied with the justification and criteria based on the recommendation of Nomination Committee, had sought the shareholders' approval at the 33rd AGM 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

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 Nomination Committee of the Company comprises exclusively of Independent and Non-Executive Directors. The Nomination Committee is chaired by the Senior Independent Director.</p> <p>Tuan Haji Mohd Jaffar Bin Awang (Ismail) as a Senior Independent and Non-Executive Director of the Company was re-designated as the Chairman of Nomination Committee on 28 July 2022.</p> <p>Tuan Haji Mohd Jaffar Bin Awang (Ismail) was appointed by the Board as the Senior Independent Director based on his experience with the Board and strong comprehension of the Company's governance issues. His collective tenure in the Company accords familiarity with the workings of the Board and its individual members. He is respected by the other Board members as he has consistently been conscientious in preserving the interest of the Company first and foremost throughout his tenure 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 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>The Board did not set specific targets on gender diversity for the Company but endeavours to improve the number of women directors on the Board, based on pre-determined skill sets and competencies. Datuk Zawati Binti Abd Rahman was appointed as an Independent and Non-Executive Director of the Company on 19 April 2022, the Board now complies with Paragraph 15.02 (1)(b) of Listing Requirements of Bursa Securities.</p> <p>Nevertheless, the consideration of women's representation on the Board and in senior management positions will be prioritized, and efforts will be made to identify suitable candidates. This commitment is rooted in the primary objective of selecting the most qualified candidate who can effectively contribute to the Company's strategic objectives.</p>	
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 5.10

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Company does not practice any form of gender, ethnicity and age group biasness as all candidates for either Board or Senior Management team shall be given fair and equal treatment.</p> <p>Notwithstanding the Board not having any formalised board diversity policy or gender diversity policy, the Board practices non-gender discrimination and endeavours to promote workplace diversity and supports the representation of women in the composition of Board and Senior Management positions of the Company.</p> <p>The Board believes that it is not detrimental to the Company in not adopting a formal gender, ethnicity and age group diversity policy as the Company is committed to provide fair and equal opportunities and nurturing diversity within the Group.</p> <p>Nonetheless, the Group is an equal opportunity employer and all appointments to the Board and employment of senior management are based on objective criteria, merit, skills and experience, and are not driven by any age, cultural background or gender considerations.</p> <p>The Board is satisfied with the composition of its members and is of the view that with the current mix of competency, experience, skill and knowledge, the Board is able to discharge its duties effectively and efficiently.</p> <p>At present, the members of the Senior Management team are equipped with diverse skills, expertise and industry experience to lead the business direction of the Group.</p> <p>The Board is committed to provide fair and equal opportunities within the Group and acknowledges the importance of boardroom and workplace diversity. The Group is committed to workplace diversity and that the workplace is fair, accessible, inclusive and free from discrimination.</p> <p>Please provide an alternative practice and explain how the alternative practice meets the intended outcome.</p>

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

Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The Nomination Committee is required to assess the Board's effectiveness in terms of its composition, roles and responsibilities, and whether the Board Committees have discharged their functions and duties in accordance with the terms of reference. The Nomination Committee assesses on annual basis the composition of the Board to ensure that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision-making. All assessments and evaluations carried out by the Nomination Committee in discharging its functions have been well documented.</p> <p>During the FY2023, the Board, through the Nomination Committee, had conducted the following annual assessment of the Directors and the effectiveness of the Board as a whole :-</p> <ol style="list-style-type: none">i. Evaluation on the effectiveness of the Board as a whole and Board Committees;ii. Assessment of Independent Directors;iii. Review of the term of office and performance of the ARMC and each of its members; andiv. Re-election of the retiring Directors. <p>Based on the aforesaid evaluations conducted in the FY2023, the Nomination Committee was satisfied with the performance of the Independent Directors, the Board Committees, and the Board as a whole.</p> <p>Upon recommendation by the Nomination Committee of the proposed re-election of the relevant Directors, the Board had recommended and supported the re-election of the relevant Directors to be tabled at the 34th AGM for shareholders' approval.</p>

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

Intended Outcome

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

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

Practice 7.1

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>In general, the remuneration is structured so as to link rewards to corporate and individual performance, as in the case of the Executive Directors and Senior Management. As for the Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken individually by the Director concerned.</p> <p>The Board does not have any formal remuneration policy for Directors and Senior Management in place for the time being. Notwithstanding that, in determining the remuneration packages of Executive Directors and Senior Management, the Remuneration Committee has considered the compensation and benefits commensurate with the level of the Executive Directors and Senior Management's responsibilities and performance, as well as taking into consideration the Group's performance relative to the industry. The Executive Chairman and Executive Director are not entitled to annual fees nor are entitled to receive any meeting allowances for the Board and Board Committees Meetings they attend.</p> <p>The Board collectively determines the remuneration for the Non-Executive Directors to ensure the same is appropriately reflective of experience and the level of responsibilities and contributions including the number of scheduled meetings for the Board and Board Committees; at the same time benchmark against the prevalent market practices. Each of the Non-Executive Directors abstains from deliberating and voting on his own remuneration.</p> <p>Please provide an alternative practice and explain how the alternative practice meets the intended outcome.</p>

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

Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

The 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 Remuneration Committee of the Company comprises of all Independent and Non-Executive Directors.</p> <p>The Remuneration Committee is primarily responsible for recommending the policy and framework of the remuneration of the Directors and senior management, including the terms and remuneration of the Executive Director(s), to the Board in order to align with the business strategy and long-term objectives of the Company.</p> <p>The terms of reference of Remuneration Committee is published on the Company's website at https://www.atlan.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>Pursuant to Section 230 of the Companies Act 2016, the fees of the Directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved by the shareholders at a general meeting.</p> <p>For the FY2023, the Board decided that the Directors' fees for FY2023 be maintained as the previous financial year for Non-Executive Directors and be recommended to the shareholders' approval at the forthcoming 34th AGM.</p> <p>In addition, the Directors are covered under the Directors' & Officers' Liability Insurance in respect of liabilities arising from acts committed in their capacity as directors and officers of the Atlan Group as their benefit, provided that such director or officer has not acted negligently, fraudulently or dishonestly, or is in breach of his or her duty of trust.</p> <p>The relevant resolutions in relation to the Non-Executive Directors' remuneration payable to the respective Directors are to be presented to the shareholders for approval at the forthcoming 34th AGM.</p> <p>A summary in named basis of each individual directors of the remuneration of the Directors (including benefit-in-kind) in the Company for services rendered to the Group for the FY2023 are as follows:</p>

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' SRI ADAM SANI BIN ABDULLAH	Executive Director	0	0	0	0	0	0	0	126.3	0	1020	0	0	0	1146.3
2	LEE SZE SIANG	Executive Director	0	0	0	0	0	0	0	0	46.7	418.4	145.8	0	75.2	686.1
3	DATO' SRI ROBIN TAN YEONG CHING	Non-Executive Non-Independent Director	30.0	5.0	0	0	0	0	35.0	30.0	5.0	0	0	0	0	35.0
4	DATO' WOO HON KONG	Independent Director	30.0	6.0	0	0	0	0	36.0	30.0	6.0	0	0	0	0	36.0
5	RAJA DATO' SRI SHAHARUDIN SHAH BIN RAJA JALIL SHAH	Independent Director	30.0	7.0	0	0	0	0	37.0	30.0	7.0	0	0	0	0	37.0
6	TAN THIAM CHAI	Non-Executive Non-Independent Director	30.0	7.0	0	0	0	0	37.0	30.0	7.0	0	0	0	0	37.0
7	TUAN HAJI MOHD JAFFAR BIN AWANG (ISMAIL)	Independent Director	30.0	7.0	0	0	0	0	37.0	30.0	7.0	0	0	0	0	37.0
8	DATO' DR ABDUL RAZAK BIN ABDUL	Independent Director	32.9	7.0	0	0	0	0	39.9	32.9	7.0	0	0	0	0	39.9
9	DATUK ZAWATI BINTI ABD RAHMAN	Independent Director	26.3	7.0	0	0	0	0	33.3	26.3	7.0	0	0	0	0	33.3
10	JENERAL TAN SRI DATO' SRI ABDULLAH BIN AHMAD @ DOLLAH BIN AMAD (B)	Independent Director	12.5	4.0	0	0	0	0	16.5	12.5	4.0	0	0	0	0	16.5

11	MOHD SHARIF BIN HJ YUSOF	Independent Director	14.6	4.0	0	0	0	0	18.6	14.6	4.0	0	0	0	0	18.6
----	-----------------------------	-------------------------	------	-----	---	---	---	---	------	------	-----	---	---	---	---	------

Intended Outcome

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

Practice 8.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>In determining the remuneration packages of the Senior Management personnel, factors that are taken into consideration included their individual responsibilities, skills, expertise and contributions to the Group's performance and whether the remuneration packages are competitive and sufficient to ensure that the Group is able to attract and retain executive talents.</p> <p>The Company believes it may not be in its best interest to disclose the information on the remuneration on the named basis of each member of the Senior Management Personnel, having considered the highly competitive human resource environment for personnel with the requisite knowledge, expertise and experience in the Group's business activities.</p> <p>The remuneration of the Senior Management Personnel is a combination of annual salary, bonus and benefits-in-kind which are determined in a similar manner as other management employees of the Group. The basis of determination has been consistently applied and is based on individual performance, the overall performance of the Group and also benchmarked against other companies operating in similar industry.</p> <p>Please provide an alternative practice and explain how the alternative practice meets the intended outcome.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company complied with Practice 9.1 of the MCCG which stipulates that the Chairman of the Audit Committee is not the Chairman of the Board. This ensures that the objectivity of the Board's review of the ARMC's findings and recommendations is not impaired.</p> <p>The ARMC is chaired by an Independent and Non-Executive Director, Dato' Dr Abdul Razak Bin Abdul, who fulfills such other requirements as prescribed by the Bursa Securities.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
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	:	In order to safeguard the independence of the audit by avoiding the potential threats which may arise when a former key audit partner is in a position to exert significant influence over the audit and preparation of the Company's financial statements, the terms of reference of the ARMC require a former key audit partner of the Company's external auditors to observe a minimum three (3) years cooling-off period before being appointed as a member of the ARMC. However, none of the ARMC members were former key audit partners of the Company and 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

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The ARMC has assessed the suitability, objectivity and independence of the External Auditors to safeguard the quality and reliability of audited financial statements. The assessment is conducted on a yearly basis by the ARMC, using the prescribed External Auditors Evaluation Form, with emphasis on evaluation based on competence, adequacy of experience and resources, quality of the audit performances, independence and objectivity of the External Auditors, the reasonableness of audit fees and comparison of audit and non-audit fees.</p> <p>The ARMC had obtained a written assurance from the external auditors confirming that they were, and had been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</p> <p>Based on the results of the evaluation, the ARMC is satisfied with the performance of the External Auditors, their adequacy of experience, resources and the professional staff assigned to the audit of the Group. The Board has accepted the recommendation of the ARMC for the re-appointment of Messrs. Ernst & Young PLT as External Auditors of the Company for the ensuing financial year in the upcoming AGM 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

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The ARMC comprises solely Independent Directors. The Company has adopted Practice 9.4 of the MCGG which recommends that the Audit Committee should comprise solely of Independent Directors.

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has ensured that the ARMC as a whole is financially literate and has sufficient understanding of the Group's business and matters under the purview of the ARMC, including the financial reporting process.</p> <p>All ARMC members are financially literate, and its composition and performance are reviewed by the Nomination Committee annually and recommended to the Board for its approval.</p> <p>Among the ARMC members, Chairman fulfills such other requirements as prescribed by the Bursa Securities. This meets the requirements of Paragraphs 15.09(1) of the Listing Requirements.</p> <p>ARMC members acknowledge the need for continuous education trainings. For the financial year under review, members of the ARMC attended training on the developments in accounting and auditing standards, practices and rules and have continuously kept themselves abreast of the relevant development through the updates and briefings by the external auditors and the Management.</p> <p>All ARMC members attended at least one training in FY2023 which was relevant to accounting and auditing standards, practices and rules in enhancing their professional development.</p>
Explanation for departure	:	

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

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges that risk management is an integral part of the Group business operations. It is an ongoing process which involves different levels of management to identify, evaluate, monitor and manage and mitigate the risks that may affect the achievement of its business and corporate objectives.</p> <p>The Management is responsible for creating risk awareness culture and to build the necessary environment for effective risk management. Significant issues related to internal controls and risk management are highlighted to the Board. If deemed necessary, assistance from external parties shall be consulted on issues in which the Board needs to seek an opinion.</p> <p>The Company has established the Risk Management Team which is under the purview of the ARMC to oversee the risk management of the Group. The Risk Management Framework was adopted by the Board. The Board through the ARMC would obtain the report from the internal auditors on the periodic check on the internal control system.</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

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 details of the Company's internal control system and framework are set out in the Statement on Risk Management and Internal Control on pages 84 to 87 of this Annual Report 2023.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.3 - 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>To maintain sound systems of internal controls, the Board has established an Audit & Risk Assessment (“ARA”) department. The ARA department reports directly to the ARMC and is independent of the activities and operations that it audits. Its primary responsibility is to undertake regular and systematic reviews of the business operations, processes and procedures as well as compliances in order to provide independent and objective assurance that the Group’s overall system of internal control and governance processes continues to operate adequately and effectively.</p> <p>The scope of work covered by the internal audit function during the financial year are set out on pages 82 to 83 of this Annual Report.</p> <p>The internal auditors adopt a risk-based approach towards the planning and conduct of audits, consistent with the Group’s framework in designing, implementing and monitoring its internal control system.</p> <p>The internal audit function is guided by Internal Audit Charter, which the ARMC has approved. Audit engagement is focused on priority areas according to the risk assessment and following the audit plan approved by the ARMC.</p> <p>The Head of the ARA department attended the meetings and reported directly to the ARMC on the annual internal audit plan and internal audit reports on the audit conducted following the annual audit plan.</p> <p>During the FY2023, the ARA department presented its internal audit reports to ARMC which included audit observations and findings, internal control weaknesses, and recommendations of corrective measures to be taken. ARA also reported that none of the internal control weaknesses has resulted in any material losses, contingencies or uncertainties that would require disclosure in the Annual Report.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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 ARA department consists of 4 audit personnel of which, Mr. Muhamad Anwar Bin Mustafa, is the Head of ARA department.</p> <p>Mr. Muhamad Anwar Bin Mustafa, holds a Bachelor of Commerce in Accounting and Finance and is a member of the Institute of Internal Auditors (“IIA”) and Certified Practise Accountant of Australia (“CPA”).</p> <p>None of the internal audit personnel had any relationship or conflict of interest that could impair their objectivity and independence in conducting their internal audit functions. The ARA Department provides the ARMC with reasonable assurance of the Group’s internal control systems’ adequacy and integrity.</p> <p>The ARMC had in June 2022 reviewed and assessed the adequacy of the scope, functions, competency and resources of the internal auditors for the financial year ended 28 February 2022 and ensured that the ARA team had the necessary authority to carry out their work. The ARMC was also satisfied that the internal audit function was independent of the operations of the Company and the Group. During the FY2023, the ARA department had provided reasonable assurance that the Company and the Group’s system of internal control was satisfactory and operating effectively.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
------------------	---	--	--

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is aware of the need to establish corporate disclosure policies and procedures to enable comprehensive, accurate and timely disclosures relating to the Company to the regulators, shareholders and stakeholders. The Company has identified persons authorised and responsible to approve and disclose material information to shareholders and stakeholders to ensure compliance with the Listing Requirements of Bursa Securities. The Board has delegated the authority to the Executive Director to approve all announcements for release to Bursa Securities. The Executive Director works closely with the Board, the Senior Management and the Company Secretaries who are privy to the information to maintain strict confidentiality of the information.</p> <p>The Company continues to recognise the importance of transparency and accountability to its shareholders and investors. The Board always ensures that the shareholders are informed of the financial performance and major corporate activities of the Company. Such information is communicated to shareholders and investors through various disclosures and announcements to Bursa Securities, including the quarterly financial results, annual reports and where appropriate, circulars and press releases.</p> <p>Apart from the mandatory announcements through Bursa Securities, the Company also maintains a website https://www.atlan.com.my to which shareholders and investors can have access to information on the operations and business activities of the Group.</p> <p>Investor relations activities such as meetings with fund managers and analysts and interviews by the press are held at appropriate times to explain the Group's strategy, performance and major developments.</p> <p>In maintaining the commitment to effective communication with shareholders, the Group adopts the practice of comprehensive, timely and continuing disclosures of information to its shareholders as well as to the general investing public. The practice of disclosure of information is not just established to comply with the requirements of the Listing Requirements of</p>

	<p>Bursa Securities. It also adopts the recommendations of the MCCG with regard to strengthening engagement and communication with shareholders. Where possible and applicable, the Group also provides additional disclosure of information on a voluntary basis. The Group believes that consistently maintaining a high level of disclosure and extensive communication with its shareholders is vital to shareholders and investors to make informed investment decisions.</p> <p>The Annual Report is the main channel of communication between the Company and its stakeholders. The Annual Report communicates comprehensive information of the financial results and activities undertaken by the Group. As a listed issuer, the contents and disclosure requirements of the annual report are also governed by the Listing Requirements of Bursa Securities.</p> <p>Another key avenue of communication with its shareholders is the Company's AGM, which provides a useful forum for shareholders to engage directly with the Board to facilitate greater understanding of the Company's business, governance and performance. At each AGM, the Directors of the Company would be present at the meetings to answer any questions that the shareholders may ask. The Chairman of the meeting will provide time for the shareholders to seek and clarify any issues pertaining to the resolutions tabled in the Company's AGM.</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

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	:	The Annual Report 2022, which contained the Notice of 33 rd AGM, was issued more than 28 days prior to the date of the meeting to give sufficient time to shareholders to consider the resolutions that would be discussed and decided at the 33 rd AGM. The Notice of AGM, which set out the businesses to be transacted at the AGM, was also published in the nationally circulated daily newspaper. The notes to the Notice of AGM also provided the necessary explanation for each resolution proposed to enable shareholders to make informed decisions in exercising their voting rights.	
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>Given the intense situation with the COVID-19 pandemic and safe distancing requirements imposed by the Government, which discouraged mass gatherings, the Company had held its AGMs on a virtual basis to enable the shareholders of the Company to participate fully in the proceedings at more than one (1) venue using technology facilities and to exercise their right to speak and vote at the meeting without the need to be physically present at the venue. Where the shareholders were not able to participate, certain shareholders had appointed proxies to participate and vote on their behalf.</p> <p>The Chairman of the 33rd AGM ensured that sufficient opportunities were given to shareholders to raise issues relating to the affairs of the Company by providing ample time for the Question and Answer sessions during the 33rd AGM. The Directors had actively responded to relevant questions addressed to them during the 33rd AGM. The representatives from external auditors were also present at the broadcast venue to respond to queries raised by shareholders.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.3

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>To have greater transparency, accuracy and efficiency in the voting process, the Company adopted the system of electronic voting by poll at the 33rd AGM to allow the shareholders or the appointed proxy or authorised representative to submit their votes online. Shareholders who participated remotely via live streaming at the 33rd AGM were required to login to Securities Services e-Portal for casting his/her vote online until the close of the voting session of the 33rd AGM.</p> <p>An independent scrutineer was appointed to validate the votes cast and results of each resolution put to vote were announced at the Meeting. The poll results, confirmed by the Chairman were instantaneously displayed on-screen which were seen by shareholders who joined the meeting via electronic means.</p> <p>An announcement detailing the poll results, including the total number of votes cast for and against each resolution and the respective percentages were announced via Bursa LINK on the same day after the conclusion of the general meeting.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 Chairman of the 33 rd AGM ensured that sufficient opportunities were given to shareholders to raise issues relating to the affairs of the Company by providing ample time for the Question and Answer sessions during the 33 rd AGM. The Directors had actively responded to relevant questions addressed to them during the 33 rd AGM. The representatives from external auditors were also present at the broadcast venue to respond to queries raised by shareholders. In addition, written queries raised by the Minority Shareholders Watch Group were presented to shareholders during the 33 rd AGM together with the Company's responses.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The Board ensured the required infrastructures and tools were in place to enable the smooth broadcast of the 33rd AGM and meaningful engagement with the shareholders. The questions posed by the shareholders were responded by the Directors and displayed to all meeting participants during the 33rd AGM.</p> <p>The Board ensured the seamless experience for shareholders in participating at the 33rd AGM virtually by engaging SS E Solutions Sdn. Bhd. (as the service provider of Remote Participation and Voting facilities), to provide the virtual platform, namely Securities Services e-Portal for the 33rd AGM.</p> <p>The entire AGM proceedings were held through the Securities Services e-Portal. The Administrative Details of the AGM as well as the Securities Services e-Portal user guide with detailed registration and voting procedures were shared with the shareholders and the same were also published on the Company's website. All shareholders were encouraged to participate in the Company's AGM remotely to ensure a high level of accountability. Shareholders were given opportunities to raise questions and feedback on their views on issues affecting the Company and to vote in AGM remotely.</p>
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:

Timeframe	:		
------------------	---	--	--

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The Company's AGM remains one of the most important platforms for communication and engagement between the Company and its shareholders, as it encompasses a two-way discussion on the Company's achievements and performance in the past financial year and its plans and strategies for the near and long-term future. The recording of the proceedings in the form of minutes reflects the matters that were deliberated, explanations, agreements as well as resolutions reached between the shareholders and Directors of the Company in the respective AGM. The Minutes of 33 rd AGM documented the proceedings, issues and concerns raised by shareholders, and the responses by the Company were made available on the Company's website at https://www.atlan.com.my within 30 business days after the conclusion of the 33 rd AGM, so as to provide useful information to shareholders and investors especially for the absentee shareholders who were unable to attend the 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	:

**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.

Click or tap here to enter text.