

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7235
COMPANY NAME : Superlon Holdings Berhad ("Superlon" or the "Company")
FINANCIAL YEAR : April 30, 2024

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board sets the strategic direction of the Group, establishes the mission and visions for the management and diligently monitors its performance so as to protect and enhance shareholders' value. The Board is responsible for the overall strategic planning, risk management, system of internal controls, succession planning, investor relations programme, sustainability as well as the corporate governance within the Group.</p> <p>The Board is committed to practising good corporate governance to steer the Superlon Group towards enhancing business value and long term value for its stakeholders as the underlying principle in discharging its responsibilities.</p> <p>The Board delegates some of its authorities and discretion to the Managing Director cum CEO, Executive Directors and management as well as the Board Committees.</p> <p>To assist the Board in fulfilling its roles, the board has established three (3) committees, namely Audit and Risk Management Committee, Nomination Committee and Remuneration Committee, to support and assist in discharging its fiduciary duties and responsibilities. The respective functions and authority of the board committees have been defined by the Board in the terms of reference of each committee. The committees make recommendations to the Board on matters delegated to them for deliberation. The ultimate responsibility for the final decisions on all matters lies with the Board.</p> <p>As and when necessary, the Board conducts a review of the delegation of responsibilities for the Company to adapt dynamically to the changing circumstances.</p>

	<p>The Board assumes the following responsibilities, amongst others:-</p> <p><i>(a) Reviewing and adopting the Company's strategic plans</i></p> <p>The Board has in place a strategy planning process, wherein financials and strategies are presented for discussion quarterly and the management reports on the results and challenges met. The Board objectively reviews and monitors the implementation of the plans by the management (including new ventures, major acquisitions and disposals of properties and corporate exercises) and provides input and feedback to the management. Budgets are prepared periodically for the Board to assess the anticipation and to head towards the best outcome.</p> <p><i>(b) Overseeing the conduct of the Company's business</i></p> <p>The Board oversees the performance of the management by reviewing the actual performance and financial ratios of the Group, and provides guidance to the management on measures to be undertaken to improve business performance and minimise risk areas. All significant management proposals will be presented for deliberation of the Board and the progress of the proposals will be reported to the Board at subsequent meetings.</p> <p><i>(c) Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures</i></p> <p>The Audit and Risk Management Committee, external auditors and internal auditors assist the Board to oversee the risk management and internal control framework of the Group. High risk areas and any new risks identified are highlighted and the adequacy of compliance and internal controls throughout the organisation are reported to the Audit and Risk Management Committee and the Board for discussion and consideration.</p> <p><i>(d) Succession planning</i></p> <p>The Nomination Committee reviews potential candidates for the Board. The organisation chart is periodically reviewed to ensure that candidates of sufficient calibre are in place to manage the business and that there is orderly succession of senior management.</p> <p><i>(e) Overseeing the development and implementation of a shareholder communication policy for the Company</i></p> <p>The Board acknowledges the importance of timely dissemination of information to its shareholders. Announcements on the major events of the Company and financial releases provide the shareholders and potential investors with update of the Group's activities and financial performances. The General Meetings act</p>
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	<p>as the principal forum of dialogue with shareholders. Shareholders are notified of the meeting and provided with a designated link for accessing the Company’s Annual Report and/or Circular to Shareholders prior thereto in accordance with the stipulated period set out in Main Market Listing Requirements (“LR”) of Bursa Malaysia Securities Bhd (“Bursa Securities”) and the Act in order to enable shareholders to fully evaluate the resolutions being proposed. At each Annual General Meeting (“AGM”), the Board presents the Group’s results and shareholders are given the opportunities to raise questions pertaining to the Group, the resolutions being proposed and the business of Superlon in general. Members of the Board and the auditors of the Company are available at the AGM to respond to all queries and to provide clarification on issues and concerns raised by the shareholders. The Company has a website where access is provided to its Annual Reports, announcements, quarterly financial results and other relevant information.</p> <p>Mr Lin, Po-Chih, an Independent Director, together with Mr Liu Han-Chao, the Executive Director, represent Superlon to whom concerns of the shareholders and other stakeholders may be conveyed</p> <p>(f) <i>Reviewing the adequacy and the integrity of the management information and internal controls system of the Company</i></p> <p>The Board outsourced the internal audit functions to external parties to ensure the adequacy and integrity of the Company’s internal control functions. Further details of the internal control systems are set out in the Statement on Risk Management and Internal Control.</p> <p>The Board Charter is established and serves as a reference point to outline the Board’s duties and responsibilities and set out Superlon’s commitment to corporate governance and aims to ensure that appropriate accountability and control systems are in place. The Board Charter, which will be reviewed by the Board as and when required, is published on the corporate website.</p>
Explanation for departure	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	
Timeframe	

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the Company, Mr Chun Kwong Pong, leads the Board. His profile can be found in the Company's Annual Report.</p> <p>As detailed in the Board Charter, the Chairman is mainly responsible for:-</p> <ul style="list-style-type: none">(a) the leadership and governance of the board in the effective discharge of its supervisory role of the Superlon Group;(b) the efficient organisation and conduct of the Board's functions and meetings;(c) briefing the Directors in relation to issues arising at meetings; and(d) promotion of constructive and respectful relations between board members (within the Board and with the management) and facilitate Board effectiveness.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The positions of Chairman and Managing Director/CEO of Superlon are held by different individuals. Mr Chun Kwong Pong is the Chairman whilst Madam Liu Lee, Hsiu-Lin @ Jessica H. Liu is the Managing Director cum CEO.</p> <p>There is a clear distinction of roles and responsibilities between the Chairman and the Managing Director, which are outlined in the Board Charter.</p> <p>The Chairman of the Board is non-executive and is primarily responsible for Board effectiveness and conduct whilst the Managing Director is responsible for the day-to-day business affairs overseeing the operating units, organisational effectiveness and implementation of Board policies and decisions.</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	: Departure
Explanation on application of the practice	:
Explanation for departure	: The Company has a moderate-sized Board and the duties of the committees are distributed within the non-executive directors. The Chairman of the Board is also the Chairman of Remuneration Committee and a member of Nomination Committee. As a balance to ensure objectivity and more effective Board discussions, when the Remuneration Committee has matters to report to the Board, the chairing of the Board will be handed to another Director while the Board receives and assesses the reports from the Remuneration Committee. The Chairman of the Board who is also the Chairman of Remuneration Committee and a member of Nomination Committee has carried out his duty in accordance with the terms of reference of respective committee accordingly. In addition, the Chairman of the Board abstains from all deliberations and voting on matters in which he has an interest.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	: Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	: Choose an item.

Intended Outcome

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

Practice 1.5

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 a Company Secretary who is qualified to act as company secretary under Section 235 (2) of the Act. Ms Ng Mei Wan (MIA 28862) is a Chartered Accountant registered with the Malaysian Institute of Accountants and is a company secretary registered with the Companies Commission of Malaysia, holding a practising certificate.</p> <p>The Company Secretary attends and ensures that all Board and Committee meetings are properly convened, that the Board and Committee functions effectively and in accordance with their relevant terms of reference and that accurate and proper records of the proceedings and resolutions passed are taken and maintained in the statutory registers of the Company. The Board relies on the Company Secretary for advice on its roles and responsibilities, corporate disclosures, compliance on and updates on new regulations issued by the regulatory authorities, particularly on compliance with:</p> <ul style="list-style-type: none">(a) the Act;(b) the LR;(c) Malaysian Code of Corporate Governance; and(d) Other relevant laws and regulations.
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 Directors are given an agenda with the relevant information to be deliberated on five business days prior to the Board meetings. Management ensures that the Board and Committee members receive complete and accurate information relating to pertinent matters prior to their meetings.</p> <p>Minutes for every Board meeting are circulated to all Directors for their perusal prior to confirmation and adoption at the following Board meeting. Upon confirmation of the minutes, the Chairman will sign the minutes as a correct record of the proceedings of the meeting. Matters arising from meeting discussions are highlighted until they are resolved.</p> <p>The Committee meetings are held prior to the Board meetings to facilitate discussion of matters tabled for the Committees. The recommendations of the Committees are then presented during the Board meeting.</p> <p>The Chairman leads the presentation of Board papers and discussion. Relevant Executive Directors will explain and discuss pertinent issues. All Directors are entitled to call for additional clarification and information to assist them in matters that require their decision making. Time is also allocated at each meeting for Directors to raise matters not covered by the formal agenda.</p> <p>All Directors have unrestricted access to the information of the Group as well as advice of the company secretary, external auditors and internal auditors whether as a full board or in their individual capacity, in the furtherance of their duties. All Independent Directors have access to the Managing Director cum CEO and Executive Directors should there be any clarification or explanations sought on any aspects of the Group's operations or management matters.</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>A Board Charter is established to define the roles and responsibilities of the Board, the committees and Superlon’s commitment to corporate governance and aims to ensure that appropriate accountability and control systems are in place. The Board Charter sets out the governance structure, authority and terms of reference of the Board and its committees and the management (comprising the Managing Director and Executive Directors). The Board Charter serves as a reference point for the Board in the assessment of its own performance.</p> <p>The Board Charter is published on the corporate website and review is done from time to time as and when required to ensure compliance and relevance to the prevailing laws, regulation and best practices.</p> <p>The roles and responsibilities of the management are determined by the Executive Directors and the section on Directors’ training and continuing education are available on the Annual Report of the Company, which is accessible through our corporate website.</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 Code of Conduct is set by the Company to provide employees of Superlon with guidance on the standards of behaviour expected of them in performing their duties of employment and in their dealings with fellow employees, clients, suppliers and member of the community.</p> <p>The main areas of conduct under the Code are as follows:-</p> <ul style="list-style-type: none">(a) Anti-corruption and bribery(b) Confidentiality of information(c) Conflict of interest(d) Duty of care(e) Ethics and honesty(f) Harassment and discrimination(g) Health and safety(h) Quality products(i) Feedback channel <p>The Company had formulated the Anti-Bribery and Corruption ("ABC") Policy as testimony to its commitment to conduct business in an honest and ethical manner. The ABC Policy applies to all employees and any potential/existing business associates engaged in activities with the Group. The Company has an Integrity Team to attend to the anti-bribery and corruption compliance matters, in furtherance of the corporate liability provision of the Malaysian Anti-Corruption Commission Act.</p> <p>The Code of Conduct and the ABC Policy can be found on the corporate website.</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	:	A guidance on feedback channel is detailed in the Company's Code of Conduct and Whistleblowing Policy and Procedures. The feedback channel is intended to be used for employees to voice out serious and sensitive concerns, including those relating to financial reporting, unethical or illegal conduct. The letters or e-mails are to be directed to the Chairman of the Board and/or Chairman of the Audit and Risk Management Committee, both of whom are non-executive.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>Superlon has implemented a sustainability framework and established a Sustainability Policy which is implemented by a Sustainability Team consisting of the management. The Sustainability Team supervises key sustainability initiatives and reports to the Executive Directors who then report to the Board.</p> <p>The Board oversees the sustainability-related strategies of the Group and take into consideration the material sustainability issues during decision making. The Board of Directors together with the management takes responsibility of the governance of sustainability and for reviewing the robustness of the business strategies from time to time in withstanding material sustainability risks while pursuing the opportunities.</p> <p>The Sustainability Team reviews the goals and targets and monitors the progress as well as reports to the Executive Directors on their findings. They also promote the integration of sustainability operations into the Group’s risk management framework and manage the overall sustainability strategies and efforts.</p> <p>Details of sustainability matters are contained in the Sustainability Statement in the Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company’s sustainability strategies, priorities, targets and performance against the targets set are contained in the Sustainability Statement in the Annual Report of the Company.</p> <p>Various channels are used to communicate the Company’s sustainability efforts which are comprehensively disclosed in the Sustainability Statement.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board takes cognisance of the benefits of staying abreast with and understanding the sustainability issues relevant to the Company and its businesses through periodical updates by Bursa Malaysia Securities Berhad as well as training courses.</p> <p>A number of our Directors have attended an ESG course to garner knowledge on ESG and benchmarking ESG activities. The Board will periodically discuss and explore innovations to the sustainability strategies in consultation with the senior management with due consideration to the risks and opportunities.</p> <p>The Company Secretary regularly updates the Board on changes in the Listing Requirements and/or other regulatory requirements which are relevant to the Company, including sustainability requirements and provides advice on compliance and corporate disclosure matters.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The performance evaluation of the Board includes sustainability matters as part of the points of consideration through the Board's annual evaluation.	
		Whilst the sustainability policy has been implemented and various strategies are in place, the Company has yet to add these into the key performance indicators for the senior management in order to give more time to adapt to the expectations of the Company on sustainability matters and to perform accordingly.	
		The Sustainability Team (consisting of the management) supervises key sustainability initiatives and reports to the Executive Directors who then report to the Board. The Board of Directors is ultimately responsible for the sustainability-related strategies of the Group.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The General Manager is designated to oversee the implementation of the Sustainability Policy. He leads and guides the Sustainability Team in carrying out their roles and responsibilities.</p> <p>He serves as a channel of communication in explaining the material economic, environmental and social impact to the Board as well as to the employees.</p> <p>He is also responsible for promoting the integration of sustainability considerations into the Group's risk management framework and managing the overall sustainability strategies and efforts.</p>

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 Board is mindful that for it to be effective, its composition must include an appropriate mix of skills, knowledge, experience, independence and diversity elements that fit the Company's objectives and goals.</p> <p>All Directors due for re-election will be considered by the Nomination Committee. All new Director(s) duly appointed by the Board are subsequently recommended for re-election at the next AGM. All Directors retire from office at least once every three (3) years but are eligible for re-election. If an Independent Director of the Board ceases to be a member of the Board with the result that less than 1/3 of the Board are Independent Directors, the Nomination Committee shall within three (3) months appoint such number of new Independent Directors as may be required to make up the shortfall. All new Directors attend the mandatory accreditation programme by Bursa Securities to familiarise themselves with the additional requirements for a listed company.</p> <p>The Board has in place the Fit and Proper Policy to govern the appointment of new Directors and the re-election of Directors which takes into consideration factors including character and integrity, experience and competence, the time and commitment by the Directors as well as conflict of interest position, if any.</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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Currently, 3 out of 8 directors representing approximately 38% on our Board are Independent Directors whilst four (4) out of eight (8) directors representing 50% on the Board are Non-Executive Directors.	
		The Board views that there is an effective check and balance in the Board composition such that no one individual or a group of individuals can dominate the Board's decision-making process. Material audit, risk management, remuneration and nomination matters are tabled for the approval of pertinent Board Committees comprising all or majority of Independent Directors, which act as the first tier to consider those matters prior to making recommendation for Board's approval.	
		The Independent Directors comply the independence standards prescribed under the LR of Bursa Securities. In addition, all the Committees are chaired by Non-Executive Directors with the composition of the Audit and Risk Management Committee comprising all Independent Non-Executive Directors.	
<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	:	Others	Please specify number of years.

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 assesses the Independent Directors based on the following justifications:-</p> <ul style="list-style-type: none">(a) He/she has fulfilled the criteria under the definition of an Independent Director as stated in the LR, and thus, the person would be able to function as check and balance, provide a broader view and brings an element of objectivity to the Board;(b) During his/her tenure in office, the person has not developed, established or maintained any significant relationship which would impair the person's independence as Independent Director with the Executive Directors and major shareholders other than normal engagements and interactions on a professional level consistent and expected of him/her to carry out his/her duties as Independent Non-Executive Director and Audit and Risk Management Committee member;(c) During his/her tenure in office, the person has not transacted or entered into any transactions with, nor provided any services to the Company and its subsidiaries, within the scope and meaning as set forth under Paragraph 5 of Practice Note 13 of the LR;(d) The person is currently not sitting on the board of any other public and/or private companies having the same nature of business as that of the Company and its subsidiaries;(e) Other than Director's fees and allowances paid in accordance with the industry norm and within the acceptable market rates which have been duly disclosed in the Annual Report, there are no other incentives or benefits of whatsoever nature that had been paid to him/her by the Company during his/her tenure in office as Independent Non-Executive Director in the Company;(f) The person's qualifications and vast experience in respective fields are invaluable to the Group. He/she has detailed knowledge of the Group and has proven commitment and competency to effectively oversee and advise the Board; and(g) Whether there is any conflict(s) of interest position which may result in the inability to remain independent.

	<p>The Nomination Committee had assessed the independence of all Independent Non-Executive Directors during FY 2024. The Nomination Committee and the Board are of the view that the Independent Directors have been discharging their responsibilities independently of management and major shareholders.</p> <p>Currently, none of the Independent Directors have served the Board beyond 9 years. For the time being, the Board does not limit the tenure of Independent Directors.</p> <p>In the event any Independent Directors are proposed by the Board to be retained after 9 years, the Board shall seek the shareholders' approval with justification to be provided.</p>	
<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

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.

<i>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.</i>	
Application	: Not Adopted
Explanation on adoption of the practice	: The Board values the contribution by the Directors based on their experience and knowledge. Other factors such as independence, qualification, due care exercised, attributes, necessary in discharging their roles, understanding of the Company's business, diversity in knowledge and views are prioritised by the Board ahead of the tenure. Nonetheless, currently, none of the Independent Directors has served nine years.

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 Company has a Fit and Proper Policy on the appointment of new directors and re-election of directors. The criteria used to evaluate the Director's performance includes the following:-</p> <ul style="list-style-type: none">(a) the character and integrity of the Director;(b) the qualifications, skills and expertise;(c) the experience and competence;(d) the time and commitment of the Director put into the Group(e) the independence (for the position of Independent Directors); and(f) any conflict(s) of interest position. <p>The Nomination Committee takes the lead for the nomination of a new candidate for appointment, reviews and recommendations.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing 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 Nomination Committee evaluates the nominations by the members of the Board, management and various other sources. The Committee also make recommendations to the Board on new candidates for appointment and re-election to the Board.</p> <p>In addition to sourcing candidates within its existing internal network, the Board seeks independent sources including independent professional firms in nominating candidates for directorships as and when required.</p> <p>Notwithstanding, the sources, the selection and assessment criteria for the appointment of new directors are based on the candidates' skills, qualifications, background, integrity and professionalism. A prescribed set of criteria set out in the Directors' Fit and Proper Policy can be viewed from the Company's website. In addition, the assessment for Independent Directors would include the independence test required under the LR of Bursa Securities.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
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 Company has a Fit and Proper Policy on the appointment of new directors and re-election of directors. The criteria used to evaluate the Director's performance includes the following:-</p> <ul style="list-style-type: none">(a) the character and integrity of the Director;(b) the qualifications, skills and expertise;(c) the experience and competence;(d) the time and commitment of the Director put into the Group;(e) the independence (for the position of Independent Directors)(f) any conflict(s) of interest position. <p>A write-up of the Directors seeking appointment / re-appointment is disclosed in the AR 2024.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The Nomination Committee is chaired by Mr Lin, Po-Chih, who is an Independent Non-Executive Director 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 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The gender diversity policy of the Company and its implementation are disclosed in the Annual Report.	
		The Board is supportive of gender diversity within the Group. Currently, the Company's Managing Director and one of the Independent Directors are female which amounts to 25% female representation in Board. In addition, more than 50% of female participation is in the office workforce with more than 40% of managerial roles being undertaken by females.	
		The Nomination Committee will advocate the Company's policy of identifying and recruiting qualified candidates including women candidates via equal opportunities to serve on its Board and key management in the event of recruitment.	
<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	:	Others	Please specify number of years.

Intended Outcome

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

Practice 5.10

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

Application	:	Applied
Explanation on application of the practice	:	<p>The gender diversity policy of the Company and its implementation are disclosed in the Corporate Governance Overview Statement in the Annual Report.</p> <p>The Board is supportive of gender diversity within the Group. Currently, the Company's Managing Director and one of the Independent Directors are female which amounts to 25% female representation in Board. In addition, more than 50% of female participation is in the office workforce with at least 40% of managerial roles being undertaken by females.</p> <p>The Nomination Committee will advocate the Company's policy of identifying and recruiting qualified candidates including women candidates via equal opportunities to serve on its Board and key management in the event of recruitment.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The Company has a formal process for the assessment of the effectiveness of the Board as a whole. The feedback from each Director on the areas attributing to Board effectiveness are collated and presented to the Board for discussions. Areas of weaknesses are discussed to proactively seek ways to improve effectiveness.</p> <p>The Nomination Committee has reviewed the performance of the Board and Board Committees based on performance evaluations conducted by the Board collectively during the financial year and was of the view that the Board and Board Committees have discharged their responsibilities effectively. Various areas assessed include board structure, board operation, management relationship, board roles and responsibilities, board committees, corporate governance and sustainability.</p> <p>During the period under review, the Nomination Committee also assessed and recommended the retiring Directors eligible for reelection, reviewed the continuing independence of Independent Directors and the continuing education programmes was undertaken. Assessment of Directors due for re-election is made based on the Fit & Proper policy set by the Board.</p>
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has a Board Remuneration Policy in place for the process of approving the remuneration of the Directors and senior management. The Board Remuneration Policy is available on the Company's website. The remuneration of the Executive Directors is recommended to the Board by the Remuneration Committee so as to attract, retain, motivate and incentivise Directors of the necessary calibre needed to lead the Superlon Group successfully.</p> <p>For Executive Directors, the component parts of the remuneration are structured so as to incentivise the individual according to the performance of the Group. The Remuneration Committee is to recommend to the Board the framework and remuneration package for each Executive Director. The Remuneration Committee considers, amidst others, the Executive Directors' roles and responsibilities, skill and experience, corporate and individual performance for recommendation of remuneration.</p> <p>In the case of Non-Executive Directors, the level of remuneration is based on, inter-alia, their experience, qualifications and contribution, the extent of duties and responsibility and the time commitment. The determination of remuneration packages of Non-Executive Directors, including the Non-Executive Chairman, is decided by the Board as a whole. The Director's fees and allowances are subject to the prior approval of the shareholders at the AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 consists only of non-executive directors, of whom a majority are Independent Directors. The Remuneration Committee formulates and reviews the remuneration policy, compensation policy, performance bonus and other matters relating to the remuneration of the Directors.</p> <p>The Terms of Reference of the Remuneration Committee is detailed on the corporate website. Its objective is to attract and retain suitable directors to lead and control the Group effectively. Generally, the remuneration of directors reflects the level of responsibility and commitment that goes with the Board's membership.</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	:	The breakdown of the remuneration of each individual Director of the Company for the financial year under review is provided in the ensuing section of this Corporate Governance Report.

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	Liu Lee, Hsiu Lin @ Jessica H. Liu	Executive Director	-	5,000	-	-	-	-	5,000	-	5,000	648,000	240,938	25,000	152,033	1,070,971
2	Liu HanChao	Executive Director	-	3,750	-	-	-	-	3,750	-	3,750	415,680	240,938	21,250	107,897	789,515
3	Liu Jeremy	Executive Director	-	3,750	-	-	-	-	3,750	-	3,750	400,800	240,937	9,000	105,064	759,551
4	Ongi Cheng San	Executive Director	-	3,750	-	-	-	-	3,750	-	3,750	277,200	240,937	9,000	81,590	612,477
5	Chun Kwong Pong	Non-Executive Non-Independent Director	54,000	5,000	-	-	-	-	59,000	54,000	5,000	-	-	-	-	59,000
6	Lim Wai Loong	Independent Director	42,000	3,750	-	-	-	-	45,750	42,000	3,750	-	-	-	-	45,750
7	Lin, Po-Chih	Independent Director	42,000	3,000	-	-	-	-	45,000	42,000	3,000	-	-	-	-	45,000
8	Chee Chung Yen (Resigned on 20 July 2023)	Independent Director	-	9,258	-	-	-	-	9,258	-	9,258	-	-	-	-	9,258
9	Lee Mei Hsiang (appointed on 20 July 2023)	Independent Director	32,742	3,000	-	-	-	-	35,742	32,742	3,000	-	-	-	-	35,742

Intended Outcome

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

Practice 8.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The aggregate remuneration of the top five senior management of the Group is not disclosed in the Company's Annual Report taking into consideration the highly competitive industry in which the Group is operating and challenges faced in talent management and retention.</p> <p>For purposes of shareholders' analysis, the total salaries in the Group analysed by category is disclosed in the Annual Audited Accounts.</p> <p>The disclosure of the employees' salaries of the Group in the audited accounts allows stakeholders to make an appreciable link between the remuneration and the performance of the Group. The Board believes that the disclosure contained in the Annual Audited Accounts would be sufficient to provide pertinent insights to shareholders on whether the senior management are being remunerated responsibly.</p> <p>Nonetheless, the breakdown of the remuneration of senior management who are also Directors including the Managing Director cum Chief Executive Officer and 3 Executive Directors of the Company is provided in this Corporate Governance Report.</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 ('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

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Chairman of the Board and the Chairman of the Audit and Risk Management Committee are different individuals. Both are non-executive and the Chairman of the Audit and Risk Management Committee is independent.</p> <p>The Chairman of the Board is Mr Chun Kwong Pong while the Chairman of the Audit and Risk Management Committee is Ms Lee Mei Hsiang.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has adopted a policy of a cooling-off period of three years for a former key audit partner of the Company's external audit firm before he can be considered for appointment as a Director of the Company.</p> <p>To date, no former key audit partner has been appointed as a member of the Audit and Risk Management Committee.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit and Risk Management Committee has unrestricted access to any information pertaining to the Company and has direct communication channels with the external and internal auditors, when applicable and to the senior management of the Group.</p> <p>The Audit and Risk Management Committee also has direct oversight of the audit of the Group and annually assesses the suitability, objectivity and independence of the external auditors and internal auditors.</p> <p>The External Auditors have also provided a written confirmation confirming that, inter-alia, they have maintained their independence throughout the audit of Superlon, in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountant's International Code of Ethics for Professional Accountants (including International Independence Standards)("IESBA Code"), and they have fulfilled their ethical responsibilities in accordance with the By-Laws and the IESBA Code.</p> <p>The duties and responsibilities of the Audit and Risk Management Committee are set out in the Terms of References, made available on the corporate website.</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	:	<p>The composition of the Audit and Risk Management Committee is as follows:-</p> <ul style="list-style-type: none">(a) Lee Mei Hsiang;(b) Lin, Po-Chih; and(c) Lim Wai Loong. <p>All the members of the Audit and Risk Management Committee are Independent Non-Executive Directors.</p>

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 Audit and Risk Management Committee comprises of all Independent Non-Executive Directors. All members of the Committee possess a wide range of necessary skills to discharge its duties and are financially literate to carry out their duties. Details of the Committee members are set out in the Annual Report.</p> <p>The Chairman of the Audit and Risk Management Committee, Ms Lee Mei Hsiang is a member of the Malaysian Institute of Accountants or otherwise a person approved under Paragraph 15.09 (1)(c)(ii) or (iii) of the LR.</p> <p>The Audit and Risk Management Committee assists the Board in its responsibility to oversee and scrutinise the financial reporting and the effectiveness of the internal controls of the Group. Audit and Risk Management Committee members have from time to time attended various relevant training programmes, seminars and trades shows organised by relevant regulatory authorities and professional bodies to broaden their knowledge and to keep abreast with the relevant changes in law, regulations and the business environment.</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 is committed to maintaining an effective risk management and a sound internal controls system to safeguard the assets of Superlon and shareholders' interests as stipulated by the Malaysian Code of Corporate Governance and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.</p> <p>The Board regards risk management as an integral part of the business operations and has approved the framework adopted by the Group to manage its risks. The Group implements an on-going processes to identify, evaluate, monitor and manage significant risks that may affect the Group in achieving its business objectives throughout the financial year under review. These processes are periodically reviewed by the Internal Auditors who report to the Audit and Risk Management Committee on areas requiring improvement where necessary.</p> <p>The Board recognises that the system is designed to mitigate and does not eliminate the risk of failure in achieving the Group's business objectives. Therefore, the internal controls can only provide reasonable and not absolute assurance against the occurrence of any material loss or failure. The Group regularly assesses and takes appropriate measures to strengthen the internal control environment and processes through an optimal balance between control costs and benefits for the Group's major operations.</p> <p>The Board had received assurance from the Managing Director and the Finance Director that, to the best of their knowledge, the Group's risk management and internal control system is operating adequately and effectively in line with the Group's objectives, in all material aspects.</p> <p>The External Auditors of the Company have also reviewed the Statement of Risk Management and Internal Control of the Company and have reported that nothing has come to their attention that causes them to believe that, inter-alia, the Statement is factually inaccurate.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The following factors were considered in the risk assessment and are documented in the Group's risk management framework:-</p> <ul style="list-style-type: none"> (a) The nature of risks identified by the Group; (b) The assessment of risks and the extent regarded as tolerable for the Group; (c) The likelihood of the risks concerned materialising; and (d) The Group's ability to reduce the incidence of risks that may materialise and their impact on the business. <p>As part of the risk management initiatives, the Head of each business unit is tasked with risk identification and assessment. Any new significant risks identified and the corresponding mitigation plans and internal controls are developed during periodic management meetings. Subsequently, these are brought to the attention of the Executive Directors, Audit and Risk Management Committee and/or the Board at their scheduled meetings. The Group's key risk profile is updated periodically wherein risks identified are prioritised in terms of possibility of occurrence and the potential impact to the Group's operation should the risks materialise.</p> <p>Other key elements of the system of internal control of the Group are disclosed in the Statement of Risk Management and Internal Controls in the Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	The risk management role is covered by the Audit and Risk Management Committee which comprises of Independent Directors.

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The internal audit function is outsourced to an external consultant firm, i.e. Matrix Corporate Consultancy Sdn Bhd, which reports to the Audit and Risk Management Committee and assists the Board of Directors in monitoring and managing risks and internal controls. The principal role of the internal audit includes:-</p> <ul style="list-style-type: none">(a) Assisting the Board in the review of the adequacy, integrity and effectiveness of the system of internal controls of the Group to enable the Board to prepare the Statement on Risk Management and Internal Control in the Annual Report;(b) Performing risk assessment of the Group to identify and evaluate the principal risk factors and ensuring the implementation of appropriate internal control processes and procedures to mitigate these risks;(c) Allocating adequate audit resources, in accordance with the internal audit plan reviewed by the Audit and Risk Management Committee, to carry out internal audits on key operations of the Group so as to provide the Board with effective and efficient audit coverage; and(d) Providing independent and objective reports on the state of internal controls of the various operating units within the Group to the Audit and Risk Management Committee so that remedial actions and continuous improvements can be taken in relation to any weaknesses noted in the systems and controls of the respective operating units.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group has outsourced its internal audit functions to an independent consulting firms, i.e. Matrix Corporate Consultancy Sdn Bhd (“Matrix Corporate”).</p> <p>The engagement team from Matrix Corporate is headed by Wong Shan Jean, the Head of Internal Audit, who is an approved licensed auditors and a Chartered Accountant registered with Malaysian Institute of Accountants. The Audit Principal is Mr Edrian Syamsuar who is a member of the Association of Certified Chartered Accountants, Malaysia Institute of Accountants, ASEAN Chartered Professional Accountants and a Chartered Member of the Institute of Internal Auditors.</p> <p>The internal audit personnel possess professional qualifications and are free from any relationships or conflicts of interest, which could potentially impair their objectivity and independence.</p> <p>The Internal Audit practices adopted by the internal auditors conform with the International Standards for the Professional Practice of Internal Auditing.</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 acknowledges the importance of an effective, transparent and regular communication with its stakeholders. As a public listed company, the Company has put in place procedures to abide by the corporate disclosure requirements of material information asset out by Bursa Securities. The Board members are kept informed of material matters which require public disclosures and they approve the announcement of material matters prior to public disclosure. The Board is mindful that material information is to be announced timely and that confidential information should be handled sensitively to avoid leakages leading to improper use of such information. In such circumstance, the Company will also closely monitor the market activity of its securities during a period where information is withheld. Where it is believed that such information has inevitably been leaked, immediate announcement will be made.</p> <p>Superlon's website consists of the relevant corporation information including the board charter, terms of reference of the board committees, key policies of the Company, annual report, etc. Shareholders and investors are also kept informed of all major developments within the Group by way of announcements via the BURSA LINK.</p> <p>The Company values constant dialogue and is committed to clear communication with its shareholders and investors. Shareholders' meetings serve as the principal forum for communication with its shareholders. As part of the Group's active investor relations programme, the Company also engages with fund managers, financial analysts, shareholders and the media from time to time.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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	:	The Group is not under the category of large companies as defined in the MCCG 2021, and hence this is deemed not applicable.	
		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

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The notice for the upcoming Annual General Meeting of the Group in 2024 was distributed to the shareholders together with the Annual Report on 22 August 2024, giving at least 28 days' notice prior to the meeting.</p> <p>An Administrative Guide is issued to convey the conduct of the AGM to the shareholders and to explain the procedures for participation, including their right to appoint proxies, etc.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	At the last AGM, an Independent Director, Mr Lin, Po-Chih was unable to attend the meeting as he was in overseas.
		All Directors are generally expected to be present at the AGMs to engage directly with and be accountable to the shareholders for their stewardship of the Company. The Directors, all other committee members, and external auditors were in attendance to respond to the shareholders' queries. The AGM (and any other general meetings) also serves as a forum for the Board to engage with the shareholders personally to obtain their views and feedback. The Company presented an overview of the performance of the Group and the Directors answered queries by the Minority Shareholder Watch Group and the shareholders.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	Choose an item.

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>Superlon is conducting the forthcoming AGM physically in Klang, Selangor, where location is accessible and has free parking.</p> <p>Leveraging on technology and taking into consideration the effectiveness and cost efficiencies, the Company has appointed a poll administrator which offers online registration as well as voting, including voting in absentia.</p> <p>Shareholders who are unable to attend can appoint up to 2 proxies to attend and cast votes on his/her behalf based on his/her instructions.</p> <p>The voting process will be conducted via electronic polling to further leverage on technological advancements.</p>
Explanation for departure	:	<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.

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application :	Applied
Explanation on application of the practice :	<p>Time was allocated for shareholders to raise their questions in the last AGM. The Chairman and the Executive Directors addressed the questions raised.</p> <p>If there were any questions which could not be answered, due to time constraint in the AGM, the Chairman would offer to provide a response via email.</p> <p>The minutes of the AGM is available on the Company's website.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application :	Applied
Explanation on application of the practice :	<p>The Board encourages shareholders to actively participate in the general meeting held during the financial year and provided feedback on questions raised.</p> <p>The Board appointed Messrs Tricor Investor and Issuing House Services to provide the tools to facilitate voting, including voting in absentia by shareholders.</p> <p>Questions raised by shareholders were duly addressed by the Board.</p> <p>The voting results were announced and displayed in detail in the meeting.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 13.6

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 questions and answers were posted on the Company's website together with the Minutes of the AGM within the timeframe stipulated.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

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

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

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