

CORPORATE GOVERNANCE REPORT

STOCK CODE : 8702
COMPANY NAME : TEXCHEM RESOURCES BERHAD
FINANCIAL YEAR : December 31, 2023

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES 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>1) Texchem Resources Bhd ("TRB" or "the Company") is led and controlled by an effective Board of Directors ("Board"). The Board is charged with the responsibility of leading and managing the Company and setting the strategic directions of TRB Group of Companies ("Group" or "TRB Group"). In order to ensure effective discharge of its functions and responsibilities, the Board has set up various Committees to assist the Board in the management of the Company's businesses. The Committees set up by the Board are: -</p> <ul style="list-style-type: none">a) Executive Committee ("EXCO")b) Audit Committee ("AC")c) Nomination Committee ("NC")d) Remuneration Committee ("RC") <p>2) The Board monitors the performance of subsidiaries and their business strategies through various management reports which are tabled to the Board and Board Committees during Board or Board Committee meetings to ensure that the direction and the control of the Company's businesses are firmly in hand. Below are some of the activities undertaken by the Board and Board Committees during the financial year ended 31 December 2023 ("FY 2023"): -</p> <p><u>Strategic plan</u></p> <ul style="list-style-type: none">a) the Board discussed strategic, budget, sustainability, risk management and internal control, operational, market dynamics, financial performance, corporate governance matters and capital allocation strategy taking into consideration the long-term business and financials of the Company. The Board also assessed the objectives and the progress in achieving them.

- b) the Board gave in depth consideration of the Company's strategy over the short, medium and long term upon presentation of the Company and Group's operation and financial performance by the senior management.
- c) the Board supervised and assessed management performance by reviewing the annual budget at the end of each financial year. At the annual budget meeting, the management team presented to the Board the recommended budget for the following year.
- d) the Chairmen of the Board Committees reported to the Board on key issues deliberated and outcome of the Board Committees' meetings.

Financial Review

- e) the Board reviewed and approved the unaudited financial results and audited financial statements presented in the Board Meetings. The Directors deliberated on the financial results before giving approval for the release of quarterly unaudited financial results.

Supervision and assessment of management performance

- f) the management team conducted regular meetings to address potential issues and deliberated on current problems faced. The management team also carried out a mid-year business review and annual budget meeting.

Sound risk management and internal control

- g) the Board received the summary of the review and update on the Group's Enterprise Risk Management and Anti-Bribery and Corruption Risk every 6 months.

Good corporate governance

- h) the Board periodically reviews the Board Committees' Terms of Reference to reflect the latest developments in the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Malaysian Code on Corporate Governance ("Code").
- i) the Board continues to promote good corporate governance and inter alia practise "Texchem Integrity and Accountability Pledge" as follows: -
- we are committed to uphold integrity, transparency and accountability.

	<ul style="list-style-type: none"> • we have zero-tolerance on all forms of corruption in the course of our business dealings. • we endeavour to develop and continuously strengthen our internal control systems to prevent any unethical practices. • we will comply with all laws, codes and guidelines for good corporate governance. • we will refrain from and fight against any form of corrupt practices. <p><u>Succession planning</u></p> <p>j) the NC is entrusted to monitor the succession planning of the Board, Board Committees and senior management team. NC has met up to discuss on the succession planning for Directors.</p> <p><u>Effective communication with shareholders</u></p> <p>k) the Company takes proactive steps in communicating with its stakeholders. The Company keeps shareholders informed of all major developments and performance through timely announcements made to Bursa Securities via Bursa Link, press release and the Company's Annual Reports. All updated information will be posted on the Company's website at www.texchemgroup.com.</p> <p>l) the Company has periodically organised investors' briefings with fund managers and analysts via an external investor relation firm, Capital Front PLT.</p> <p>m) the finance team has regular update sessions with the Company's bankers while the operation team is proactive in liaising with its suppliers and customers.</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>1) The roles and responsibilities of the Chairman of the Board have been clearly specified in item 6 of the Board Charter, which is available on the Company's website at www.texchemgroup.com.</p> <p>2) The Executive Chairman, Tan Sri Dato' Seri (Dr.) Fumihiko Konishi leads and manages the Board's performance by providing leadership and guidance to the Board. The Chairman fulfils his role by: -</p> <ul style="list-style-type: none"> a) making sure that each Board meeting is planned effectively and conducted in an orderly and efficient manner. He encourages active participation and healthy discussion to ensure that dissenting views can be freely expressed and discussed so that decisions are taken on a sound and well-informed basis. b) reviewing the agenda with company secretaries and ensuring that meeting papers are circulated at least 5 working days prior to the meeting. c) chairing the Annual General Meetings ("AGM") of the Company and providing clarification on issues raised by shareholders. d) promoting good corporate governance practices across TRB Group. e) acting as the spokesman of the Company at the various functions and activities of the Company. f) meeting with senior management regularly to provide counsel and feedback to the senior management on the Group's performance, development and succession as well as on the organisation structure.
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

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	:	<ol style="list-style-type: none">1) The roles of the Executive Chairman and the Group Chief Executive Officer ("CEO") are distinct and separate, with a clear division of responsibilities between them to ensure an appropriate balance of power, increased accountability and greater independence in decision making.2) The Executive Chairman has been leading the Board in its responsibilities for the business and affairs of the Company and oversight of management.3) The Group CEO is responsible to the Board for the overall management and profit performance of the Group, including day to day operations and administration within the framework of Company policies, reserved powers and routine reporting requirements.4) The Group CEO may delegate aspects of his authority and power but remains accountable to the Board for the Company and for the Group's performance.5) Tan Sri Dato' Seri (Dr.) Fumihiko Konishi is the Executive Chairman of the Company.6) Mr Yap Kee Keong, being the Group CEO, continues to lead the management to drive the Group forward.
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

<p><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></p>	
Application	: Departure
Explanation on application of the practice	:
Explanation for departure	: <ol style="list-style-type: none"> 1) The Chairman of the Board, Tan Sri Dato' Seri (Dr.) Fumihiko Konishi, is not a member of the Audit Committee ("AC"), Nomination Committee ("NC") or Remuneration Committee ("RC"). 2) The Board and the respective Board Committees are helmed by different directors to ensure check and balance as well as objective review by the respective Chairmen and that there is no absolute control over decision making by one person. 3) The Chairman of the Board was invited to attend the meetings of NC and RC ("said Committees") to present the management's proposals and reports for the deliberation of the said Committees and also to address the queries posted by the said Committees.
	<ol style="list-style-type: none"> 1) The Chairman of the Board attended the said Committees' meetings to present proposals and to provide inputs on the issues discussed. He did not participate in the decision-making of resolutions, proposals and matters tabled for approval during the meetings. 2) Given that the said Committees consist wholly of Independent Non-Executive Directors, the said Committees' objectivity in receiving or assessing proposals and reports has not been diminished in any way. The Board is of the view that the said Committees were able to discharge their duties and responsibilities independently.
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
Measure	: Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	: Choose an item.

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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	:	<ol style="list-style-type: none">1) Both Company Secretaries of the Company are qualified to act as Company Secretaries under Section 235(2) and Section 241 of the Companies Act 2016 ("Act"). One of the Company Secretaries is a member of the Malaysian Institute of Certified Public Accountants and the other is a Licensed Secretary registered with the Companies Commission of Malaysia.2) The Company Secretaries, whether alone or jointly, attend Board and Board Committees meetings and keep the proper and accurate records of the proceedings of meetings and decisions made.3) The Company Secretaries advise the Board on restriction regarding disclosure of price sensitive information, content and timing of materials announcements, corporate disclosures and also serve notice to the Directors and the principal officers to notify them of the closed periods for trading in the Company's shares pursuant to the Listing Requirements.4) The Company Secretaries supported the Board by playing an important role to facilitate the overall compliance with the Act, the Code, the Listing Requirements and other relevant laws and regulations.5) The Company Secretaries facilitate the flow of information to the Board especially regarding statutory updates and training, seminars or conferences which are beneficial for the professional development of the Directors and assist in the orientation programme conducted for new director(s), Director's training and development.6) The Board believes that the current Company Secretaries are capable of carrying out their duties to ensure the effective functioning of the Board.7) During the financial year under review, the Company Secretaries attended training, seminars and regulatory briefings and updates which were relevant for the effective discharge of their duties.

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	:	<ol style="list-style-type: none">1) To facilitate the Directors' time planning, the annual meeting calendar is prepared and circulated via e-mail to all Directors in advance of each new year by the Company Secretary. The calendar provides Directors with scheduled dates for Board meetings, Board Committees' meetings and AGM.2) With the fixing of meeting dates in advance, notices and meeting papers are generally distributed 5 working days prior to the meetings. This ensures that Directors have full and timely access to information as well as sufficient time to appreciate issues to be deliberated at the meeting and thus, facilitate the decision-making process.3) The Board also receives documents on matters requiring consideration prior to and in advance of each meeting and vide circular resolutions. The board papers and papers accompanying circular resolutions are comprehensive and encompassed both quantitative and qualitative information so that informed decisions can be made.4) The Chairman of the respective Board Committees would inform the Directors at Board meetings of any salient matters noted by the Board Committees and which may be required to be brought up for Board attention or implementation.5) Occasionally, senior management who can provide additional information or clarification and external consultants engaged on specific projects were invited to brief the Board.6) The Board receives periodic briefings on industry outlook. Review of the Group's operations and site visits were conducted from time to time for the Directors to ensure that the Board is well informed of the Group's development.7) Information furnished to the Board on an on-going basis includes forecasts, internal financial statements and the quarterly reports prepared on a Group basis covering financial results and performance of the Group, with explanations of material variances between actual results and plan/budget.

	<p>8) All proceedings of Board meetings were minuted. The minutes would be distributed to all Directors on a timely manner and tabled for confirmation at the next meeting. Signed copies of the minutes were kept in the minutes book maintained by the Company Secretaries.</p> <p>9) The Audit Committee (“AC”) meetings and Board meetings were held on different sessions ever since the formation of the AC in 1994.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

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	:	<ol style="list-style-type: none">1) The Board had in 2012 formalised a Board Charter. The Board Charter serves as a primary reference for the Board and management in the performance of their roles and responsibilities.2) The Board Charter is designed to achieve the following objectives:<ol style="list-style-type: none">a) to enable the Board to provide strategic guidance and effective oversight of management;b) to clarify the roles and responsibilities of members of the Board and management to facilitate the Board and management's accountability to the Company and its shareholders;c) to ensure a balance of authority so that no single individual or group of Directors has unfettered powers; andd) to assist the Board in the assessment of its own performance and of its individual Directors.3) In accordance with item 12 of the Board Charter, the Board will periodically review the Board Charter and make any changes it determines necessary or desirable.4) The Board Charter was revised by the Board on 28 March 2015 and 26 October 2017 respectively. The Board Charter is available for reference on the Company's website at www.texchemgroup.com.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

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	<ol style="list-style-type: none">1) The Board had in 2012 formalised a Code of Conduct. The Code of Conduct was revised by the Board on 25 March 2016 and 26 October 2017 wherein it assumed the name, "Code of Conduct and Ethics" ("CoCE").2) The CoCE outlines the standard of business conduct and ethical behaviour which the Directors and employees should possess in discharging their duties and responsibilities.3) The CoCE sets out the principles on dealing with conflicts of interest, bribery and corruption, money laundering, insider trading, confidentiality and protection of the Group's assets, fair dealing and equality in employment, health and safety, compliance with laws and social media and public communication.4) Apart from the above principles, the Company has embedded whistleblower policy in the CoCE for internal and external parties to raise concerns in relation to any violation of the CoCE.5) Since the introduction of Section 17A of the Malaysian Anti-Corruption Act 2009 on corporate liability for corruption offences, various in-house training programmes have been carried out by the Company starting 2019 to create awareness on corporate liability and to recapitulate the Company's anti-corruption position.6) The Company has formalised and implemented the Company's Anti-Corruption Policy and Procedures ("ACPP") which are based on the T.R.U.S.T. principles as set out by the Guidelines on Adequate Procedures issued by the Prime Minister's Department.7) The ACPP including the revised CoCE and the Vendor Code of Conduct were approved by the Board on 15 May 2020 to set out the Company's existing anti-corruption position. The Company

	<p>shall continue with its effort in strengthening the measures put in place in relation to its ACPP.</p> <p>8) The Directors and employees of the Company are obliged, at all times, to comply with the law, ACPP and CoCE and are encouraged to report suspected unlawful and unethical behaviour. The Company would take appropriate action to address issues involving improper or unethical conducts or unlawful activities.</p> <p>9) The CoCE is available for reference on the Company's website at www.texchemgroup.com.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>1) The Code of Conduct and Ethics (“CoCE”) formalised by the Board includes the Whistleblower Policy which guides the Company’s directors and employees as well as external parties to approach the Company regarding any violation of the CoCE, improper or unethical conduct or illegal activities. The Whistleblower Policy underlines the Company’s protection and reporting channel where every person can report to the Company on any instances of such violation.</p> <p>2) The Whistleblower Policy ensures that Group Human Resources Department (“GHRD”) will deal with any communication made in good faith (“Protected Disclosure”) appropriately. Whistleblowers should submit all Protected Disclosures to the Head of GHRD or Division President or President and Group CEO in writing or e-mail to ensure a clear understanding of the issue raised.</p> <p>3) The Head of GHRD or Group Internal Assurance and Consulting Department or Investigator(s) appointed by the President and Group CEO will be responsible to investigate/oversee the investigations. All investigators are independent and they are required to conduct their investigation and analysis in a fair and objective manner. They are also required to uphold high legal and professional standards.</p> <p>4) The Whistleblower Policy sets out in the CoCE is available for reference on the Company’s website at www.texchemgroup.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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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	:	<ol style="list-style-type: none">1. The Group recognises sustainability is integral to the work it does and views its management of sustainability as core to its efforts to generate value including:<ol style="list-style-type: none">a) continuing to meet shareholders' expectation;b) being environmentally responsible;c) putting the health and safety of its employees first;d) respecting human rights; ande) supporting the communities where it operates.2. As stated in the Board Charter of the Company, the Board is responsible for the overall corporate governance of the Group, including setting sustainability strategies and ensuring that sustainability considerations are taken into account when the Board is implementing the sustainability strategies.3. In addition, the Board leads the Group's Sustainability Agenda, manages the Group's Sustainability Initiatives, and provides the final review and approval on sustainability matters related to the Group.4. As sustainability is important in creating long term value, the Board endeavours to integrate the principles of sustainability into the Group's strategies, policies and procedures.5. Each year, the Group identifies the sustainability issues most material to its business and stakeholders. It uses this assessment to help formulate its sustainability strategies.

	<p>6. The Group’s strategic management on sustainability matters is driven by the Sustainability Steering Committee which comprises Divisional Presidents & CEOs, Group Chief Financial Officer, Chief HR Officer, Legal Director, Sustainability Officer and chaired by the President and Group CEO.</p> <p>7. The Sustainability Working Committee, which comprises key department representatives, is responsible for the Group’s day-to-day implementation of sustainability matters.</p> <p>8. The roles and responsibilities of Sustainability Steering Committee and Sustainability Working Committee are outlined in the Sustainability Statement in the Annual Report.</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

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>1) The Company relies on the Sustainability Policy and Sustainability Statement which are available on the Company’s website at www.texchemgroup.com to communicate and engage with its stakeholders.</p> <p>2) The communication has been made via the following ways, amongst others:</p> <p>a) To External Stakeholders:</p> <ul style="list-style-type: none"> i) TRB’s website; ii) Annual General Meetings; iii) Annual Reports; iv) Facebook page “Texchem Group – Official”; and v) Investor Relation Programmes. <p>b) To Internal Stakeholders:</p> <ul style="list-style-type: none"> i) Communication through the Sustainability Working Committee; ii) Facebook page “Texchemer ENGAGE”; iii) Employee mobile apps; and iv) Trainings and corporate events.
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

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	:	<ol style="list-style-type: none">1. The Board and senior management continuously keep themselves abreast with and understand the sustainability issues which are relevant to the Group and its stakeholders, including climate-related risks and opportunities, through continuous update, training and learning on the related laws, regulations and standards that are applicable to the Group in the environment it operates in.2. In addition, updates are provided to the Board on sustainability-related matters which include news, reports, amendments made to the Listing Requirements and other regulatory requirements which are relevant to the Company relating to disclosures and compliances.3. The Group organised a training programme on Anti-Corruption during FY 2023 which was attended by Directors, senior management and all employees. Details of the Directors' attendance are set out in the Corporate Governance Overview Statement of Annual Report 2023. Moving forward, the management will organise trainings, seminars and/or webinars in relation to Economic, Environmental, Social and Governance ("EESG") for the Board when the need arises. In addition, updates or reports in relation to the Group's businesses will be distributed to the Board to ensure the Board is kept abreast on the latest developments and trends of the Group's businesses.4. The Group has implemented various measures to drive sustainability in line with its business values and philosophy including environmental-related risks and opportunities.5. Materiality Assessment is being conducted from time to time to review the materiality matters in line with the development in the industries in which TRB Group operate.

	<p>6. The Materiality Assessment considers internal and external stakeholder perspectives and the EESG impacts of the Group's activities.</p> <p>7. Environmental-related risks and opportunities are material governance and strategic issues for the Group. The Board is actively engaged in the governance of these issues, including its strategic approach and performance against its commitments, supported by the Sustainability Steering Committee, Sustainability Working Committee and Audit Committee.</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

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	:	<ol style="list-style-type: none">1) Sustainability-linked Key Performance Indicators (“KPIs”) have been established and embedded within the Board and senior management’s performance evaluation scorecard to drive group-wide accountability in steering its sustainability performance.2) The performance evaluations of the Board and senior management in addressing the Group’s material sustainability risks and opportunities shall be reviewed and enhanced where necessary through regular periodical review.3) The Sustainability Working Committee meets from time to time during the year to discuss and review matters set out below before submitting to the Sustainability Steering Committee and the Board’s deliberation and approval:<ol style="list-style-type: none">a) Economic Performance;b) Product and Services Quality;c) Supply Chain Management;d) Energy Management;e) Water Management;f) Community/Society;g) Diversity;h) Health and Safety;i) Labour Practices and Standards;j) Anti Bribery and Anti-Corruption; andk) Data Privacy and Security
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

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 Board has on 1 October 2022 appointed Ms Catherine Siew Seen Wa as the Sustainability Officer to manage sustainability efforts and strategies.</p> <p>She is supported by the Sustainability Steering Committee and Sustainability Working Committee in the implementation and execution of sustainability strategies, including the integration of sustainability considerations in the operations of the Company and the Group.</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	:	<ol style="list-style-type: none">1) The Board has on 28 June 2022 adopted a Directors' Fit and Proper Policy ("F&P Policy") to ensure rigorous and transparent process for the appointment or re-election of the Directors of the Company and its subsidiaries. The F&P Policy is published on the Company's website at www.texchemgroup.com.2) NC systematically assesses the effectiveness of the Board as a whole and contribution of each individual director on an annual basis and such assessment is based on the criteria set out in the F&P Policy which include, amongst others, candidates' integrity, qualifications, skills, experience, expertise, competence, time and commitment.3) NC reviewed the tenure of each director on the Board in its yearly review and made recommendation to the Board for the Board's consideration.4) NC had conducted assessments based on the criteria set out in the F&P Policy and considered the results of the assessments on areas which include commitment, contributions and the overall performance of the retiring Director, Puan Azian Binti Mohd Yusof, and was satisfied that Puan Azian Binti Mohd Yusof has met the performance criteria set out in the assessments in the discharge of her duties and responsibilities. NC had recommended to the Board the re-election of Puan Azian Binti Mohd Yusof at the 50th AGM.5) Dr Zarizana @ Izana Binti Abdul Aziz ("Dr Zarizana") will retire upon the conclusion of the 50th AGM as she would have served the Company as an Independent Non-Executive Director for 12 years by 17 April 2024.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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	<ol style="list-style-type: none">1) According to the Company's Constitution, the number of Directors shall be at least 2 but not more than 15.2) During FY 2023, the Board has 7 members comprising 3 Executive Directors and 4 Independent Non-Executive Directors. Accordingly, the Board comprises a majority of Independent Non-Executive Directors.3) The composition of the Board meets the requirements under paragraph 15.02 of the Listing Requirements which requires at least 2 Directors or 1/3 of the Board of the Company, whichever is the higher, are independent Directors and the Board further complies with this Practice 5.2 which prescribes that at least half of the Board comprises independent directors.4) The Board is confident that the current composition of the Board is able to provide independent and objective judgment to facilitate a balanced leadership in the Company as well as providing effective check and balance to safeguard the interests of the shareholders and stakeholders.5) The combination of diverse professionals with varied background, experience and expertise has enabled the Board to discharge its responsibilities effectively and efficiently. All Independent Directors are independent of the Company's management and free from any business or other relationship which could materially interfere with the exercise of independent judgment or the ability to act in the best interest of the Company.6) A Director who has a potential conflict of interest in a particular transaction is required to recuse and abstain from deliberating and voting on a resolution in which he is interested or potentially interested.7) Furthermore, the annual Directors' assessment was carried out and all Independent Directors have declared adherence with paragraph 1.01 and Practice Note 13 of Listing Requirements of Bursa Securities on the requirements of the definition of "independent director".

	8) The Board is satisfied with the level of independence demonstrated by all Independent Directors. The profiles of the Board members are set out in 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

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	:	<ol style="list-style-type: none">1. The concept of independence adopted by the Board is in tandem with the definition of an Independent Director in paragraph 1.01 of the Listing Requirements and Practice Note 13 of the Listing Requirements. The key elements for fulfilling the criteria are the appointment of independent Directors who are not members of management (non-executive) and who are free from any business or other relationship which could interfere with the exercise of independent judgment or the ability to act in the best interests of the Company. The assessment of independence of the Independent Directors is carried out upon appointment, annually and at any other time where the circumstances of a Director change such as to warrant reconsideration.2. The Board took note of the recommendation of this Practice 5.3 on the tenure of an independent director for a term of not exceeding 9 years.3. At the last AGM held on 17 May 2023, the Board tabled the resolution on the continuing in office as Independent Non-Executive Director by Dr Zarizana which was duly passed by the shareholders of the Company by way of poll through a two-tier voting process, the details of which are as follows:<table border="1" data-bbox="625 1565 1407 1895"><thead><tr><th rowspan="2">Ordinary Resolution No.</th><th rowspan="2">Resolution</th><th colspan="2">Voted For (%)</th></tr><tr><th>Tier 1</th><th>Tier 2</th></tr></thead><tbody><tr><td>8</td><td>Approval to retain Dr Zarizana as an Independent Non-Executive Director</td><td>100</td><td>99.12</td></tr></tbody></table>4. In addition, the Board took note of the Enhanced Director Amendments to the Listing Requirements issued by Bursa Securities on 19 January 2022 ("the Enhanced Director	Ordinary Resolution No.	Resolution	Voted For (%)		Tier 1	Tier 2	8	Approval to retain Dr Zarizana as an Independent Non-Executive Director	100	99.12
Ordinary Resolution No.	Resolution	Voted For (%)										
		Tier 1	Tier 2									
8	Approval to retain Dr Zarizana as an Independent Non-Executive Director	100	99.12									

	<p>Amendments”), whereby it imposes a mandatory 12-year tenure limit for independent directors where the affected long serving independent director shall be re-designated as non-independent director or replaced by the Board, by 1 June 2023.</p> <p>5. At the 50th AGM, Dr Zarizana would have served the Company as an Independent Non-Executive Director for 12 years.</p> <p>6. Accordingly, based on the recommendation of the NC, the Board accepted the retirement of Dr Zarizana upon the conclusion of the 50th 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

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	:	<ol style="list-style-type: none">1) All Board and senior management appointments are made based on merit, diversity in skills, experience, age, background, gender, ethnicity and other factors.2) The NC will take into consideration time, commitment, number of directorships and external obligations when considering candidates for directorships.3) The Board will appoint Directors with proven past performance and business experience required to protect and promote the interests of the Company and also to support the long-term delivery of the Company's strategy.4) All Directors are expected to comply with the Company's Code of Conduct and Ethics. The Board believes each Director has demonstrated the attributes of devoting sufficient time to undertake the responsibilities of the role; honesty and integrity; and a preparedness to question, challenge and critique throughout the year via their participation in Board meetings, as well as other activities that they have undertaken in their roles.5) All Directors complied with Paragraph 15.06 of the Listing Requirements, i.e., does not hold more than 5 directorships in public listed companies and are able to devote sufficient time and commitment based on the current level of directorship(s) held.6) For the year under review, the Board comprised 4 Independent Non-Executive Directors and 3 Executive Directors with a mix of suitably qualified and experienced professionals in the fields of business administration, engineering in chemistry and material science, accountancy, legal, corporate finance and economics. This combination of different professions and skills working together enables the Board to effectively lead and control the Company.

	<p>7) The Board also embraces diversity in nationality, ethnicity, age and gender to encourage diversity in perspective and balance the Board's insight, experience and approach to decision making. During FY 2023, the diversity in the race, age and gender is set out below:</p> <table border="1" data-bbox="608 409 1406 629"> <thead> <tr> <th rowspan="3"></th> <th colspan="5">Nationality and ethnicity</th> </tr> <tr> <th colspan="4">Malaysian</th> <th rowspan="2">Foreign</th> </tr> <tr> <th>Malay</th> <th>Chinese</th> <th>Indian</th> <th>Others</th> </tr> </thead> <tbody> <tr> <td>No. of Directors</td> <td>3</td> <td>2</td> <td>0</td> <td>0</td> <td>2</td> </tr> </tbody> </table> <table border="1" data-bbox="608 667 1406 846"> <thead> <tr> <th rowspan="2"></th> <th colspan="4">Age group</th> </tr> <tr> <th>40-49</th> <th>50-59</th> <th>60-69</th> <th>>70</th> </tr> </thead> <tbody> <tr> <td>No. of Directors</td> <td>1</td> <td>1</td> <td>4</td> <td>1</td> </tr> </tbody> </table> <table border="1" data-bbox="608 884 1406 1064"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Gender</th> </tr> <tr> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>No. of Directors</td> <td>5</td> <td>2</td> </tr> </tbody> </table> <p>8) The Board through the NC's annual appraisal believes that the current composition of the Board brings the required mix of skills, independence, gender diversity and core competencies required for the Board to discharge its duties effectively.</p> <p>9) None of the Directors are linked directly with the heads of state, heads of government and minister or politically active in the Parliament and any of the state level political party.</p>		Nationality and ethnicity					Malaysian				Foreign	Malay	Chinese	Indian	Others	No. of Directors	3	2	0	0	2		Age group				40-49	50-59	60-69	>70	No. of Directors	1	1	4	1		Gender		Male	Female	No. of Directors	5	2
	Nationality and ethnicity																																											
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<p>Explanation for departure :</p>																																												
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>																																												
<p>Measure :</p>																																												
<p>Timeframe :</p>																																												

Intended Outcome

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	:	<ol style="list-style-type: none">1) The Board will consider recommendation of potential candidates from existing Board members, management or major shareholders including independent sources.2) The Company practises a clear and transparent nomination process which involves the following stages:<ol style="list-style-type: none">a) identification of candidates.b) evaluation of suitability of candidates.c) meeting up with candidates.d) deliberation by the NC, taking into account the criteria set out in the F&P Policy.3) Candidates will be considered and evaluated by the NC in various aspects, inter alia, skills, knowledge, expertise and experience, professionalism, sound judgment, diversity of gender, time commitment, calibre, integrity and credibility on a continuing basis.4) The NC will then recommend the candidates for approval and appointment by the Board. The Company Secretaries will ensure that all appointments are properly made and that legal and regulatory obligations are met.5) An induction programme will be arranged for newly appointed Directors to familiarise themselves with the operations of the Group through briefings by the relevant management teams.6) In line with the protocol adopted by the Company in relation to the acceptance of new directorship, each Director is required to notify the Chairman of the Board prior to accepting new directorships in public listed companies incorporated in Malaysia as well as directorships in corporations with similar businesses operating in the same jurisdiction; and the notice of appointment is also circulated/abled to the Board for information.

	<p>7) The Board through the NC ensures that it recruits to the Board only individuals of sufficient calibre, knowledge and experience to fulfil the duties of a Director appropriately. Under its Terms of Reference, the NC will evaluate and determine the training needs of the Directors under the continuing education programmes.</p> <p>8) The training programmes and seminars attended by the Directors during the financial year under review are set out in the Corporate Governance Overview 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

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>1) Shareholders may refer to the following sections in the Annual Report for information of directors who are standing for election or re-election:</p> <ul style="list-style-type: none"> a) Profile of Directors; b) Explanatory Notes under the Notice of Annual General Meeting (“AGM”); and c) Statement Accompanying Notice of AGM. <p>2) It is the Company’s policy to ensure that material information of directors disseminated to the shareholders is accurate, clear and in a timely manner.</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>1) By the NC's Terms of Reference, the members of the NC have elected a Chairman from amongst its members. The Board and the members of the NC have identified Dr Zarizana @ Izana Binti Abdul Aziz, the Independent Non-Executive Director to chair the NC effective from 1 January 2023.</p> <p>2) The Chairman of the NC shall:</p> <ul style="list-style-type: none">a) attend the AGMs and provide responses to questions addressed to her.b) lead the succession planning and appointment of Board members, including the future Chairman and Group CEO.c) lead the annual review of the Board effectiveness, ensuring that the performance of each individual Directors is independently assessed. <p>3) Dr Zarizana has led the NC in conducting, inter alia, the following activities for FY 2023 and up to the date of this report:</p> <ul style="list-style-type: none">a) reviewed the overall composition of the Board and Board Committees;b) evaluated the individual Directors' performance as well as overall effectiveness of the Board as a whole;c) evaluated the term of office and performance of the Board Committees and each of the AC members;d) reviewed the independence of the Directors;e) assessed and made recommendation to the Board for the re-election of 1 Director who is subject to retirement at the forthcoming AGM;f) assessed and made recommendation to the Board for the appointment of 1 new Independent Non-Executive Director; andg) reviewed and recommended changes to the assessment questionnaires in relation to the Board, Board Committees and individual Directors.
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

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>As at 31 December 2023, the Board comprised of 7 Directors, of whom 2 are women directors, providing a representation rate of 29%. Thus, the Company is largely in line with the recommendation of at least 30% women directors on the Board.</p> <ol style="list-style-type: none">1) The Company acknowledges the importance of boardroom diversity and committed to diversity of leadership at every levels. For purposes of compliance with the gender diversity, a wide range of initiatives and solutions have been proposed and implemented by the Company.2) The Company has met with the new requirement of the Enhanced Director Amendments issued by Bursa Securities which requires a public listed company to have at least 1 woman director on its board. During FY 2023, the composition of women directors on the Board are as follows: -<ol style="list-style-type: none">a) Dr Zarizana; andb) Puan Azian Binti Mohd Yusof.3) The Company will continue with its endeavour to identify suitable women candidates in the future so as to meet the 30% women Directors' requirement.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

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

Practice 5.10

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

Application	:	Applied
Explanation on application of the practice	:	<ol style="list-style-type: none">1) The Company supports the approach of gender diversity and one of the key principles of this is to promote, develop and maintain an inclusive workplace and to enhance the successful advancement of gender diversity in the workforce. Such commitment is disclosed in the Company's Code of Conduct and Ethics under the heading of "Fair Dealing and Equality in Employment", which is available on the Company's website at www.texchemgroup.com.2) The Company has long recognised the value of developing and increasing the number of women on the Board and senior management roles in the Company. As an initial step taken by the Board towards achieving a more gender diversified Board, the Board had since 2013 set the number of women on the Board at 1. The Board met the target as during FY 2023 there were 2 women Independent Non-Executive Directors on the Board.3) Apart from that, during FY 2023, TRB Group has 33% women in the senior management position (General Managers and above).4) The Terms of Reference of the NC also provides that the main objective of the NC includes a commitment to achieving a balanced representation of individuals from diverse backgrounds, such as gender, ethnicity and age.5) The Company will continue to promote diversity in its widest possible sense and the Board and NC remain committed to ensuring that the Company's policies and practices support this approach with a view to harnessing the potential of its workforce and driving the success of the business.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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	: <ol style="list-style-type: none">1) The NC systematically assesses the effectiveness of the Board, the Board Committees and the contribution of each individual Director on an annual basis and the F&P Policy serves as a guide for NC in its review and assessment. All assessments and evaluations carried out by the NC in the discharge of all its functions are documented. Assessment forms have been developed to facilitate the assessment process.2) Assessment of the Board and Board Committees are performed on a Board review or self-assessment basis whilst assessment of individual Directors is performed on a peer review basis. Each Director is provided with the same set of assessment forms for their completion. The results of all assessments and comments by Directors are summarised and deliberated at the NC meeting and thereafter the NC's Chairman will report the results and deliberation to the Board.3) The assessment of the Board and the Board Committees are based on:<ul style="list-style-type: none">• composition• board process• adequacy of information and processes• accountability• performance benchmark• standard of conduct4) The criteria used, amongst others, for individual Director includes:<ul style="list-style-type: none">• abilities, competencies, knowledge, integrity and such other criteria which are more particularly set out in the F&P Policy;

	<ul style="list-style-type: none"> • participation at Board and Board Committees’ meetings including the contribution to the business strategies and performance of the Group • attendance of meetings • corporate governance including sustainability matters • independence • absence of actual and/or potential conflicts of interest <p>5) In respect of the 2023 annual performance evaluation, it was concluded that:</p> <ul style="list-style-type: none"> • the Board and the Board Committees discharged their duties and responsibilities effectively. • each Director continued to perform effectively and demonstrated commitment to his/her role. <p>6) The Board is satisfied with the current evaluation process. Be that as it may, the Board will continue to review the Board’s evaluation process as and when deemed necessary to ensure it remains a valuable feedback mechanism for improving the Board effectiveness.</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	:	<ol style="list-style-type: none">1) The remuneration policies practised on Directors and senior management's remuneration by the RC is to provide the remuneration packages necessary to attract, retain and motivate Directors and senior management of the quality required to manage the business of the Company and to align the interest of the Directors and senior management with those of the shareholders.2) The Executive Directors did not participate directly in any way in determining their individual remuneration. Executive Directors receive Director's fees and bonuses based on the achievement of specific goals related to the Group's performance (including operational results).3) The Board as a whole determines the remuneration of Non-Executive Directors with individual Directors abstaining from decisions in respect of their individual remuneration. Independent Non-Executive Directors do not receive any performance related remuneration.4) The Remuneration Policy and Procedures was approved by the Board on 27 February 2018. The Board will periodically review the Remuneration Policy and Procedures to ensure its effectiveness. A copy of the Remuneration Policy and Procedures is available for reference on the Company's website at www.texchemgroup.com.5) The Company had obtained its shareholders' approval for payment of Directors' fees and the payment of Directors' benefits to the Independent Non-Executive Directors who were members of the AC for the financial year ended 31 December 2022 at the last AGM held on 17 May 2023.

	6) The RC was satisfied that during FY 2023, the approved policies and practices operated as intended and delivered outcomes that fairly reflected the different roles and responsibilities of Non-Executive Directors, Executive Directors and senior management.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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	:	<ol style="list-style-type: none"> 1) The Board is supported by the RC in implementing its remuneration policies and procedures on remuneration of the Board and senior management. 2) The RC comprises all Independent Non-Executive Directors. 3) The RC discharged its duties and responsibilities in accordance with its Terms of Reference, inter alia, reviewing the remuneration packages, reward structure and other benefits applicable to the Board and senior management and making the appropriate recommendation to the Board. 4) The duties and responsibilities of the RC have been clearly specified in the RC's Terms of Reference, which is available on the Company's website at www.texchemgroup.com. 	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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	:	<ol style="list-style-type: none">1) In line with the Code, the disclosure of the remuneration of Directors of the Company is made on a named basis. Details of the nature and amount of each major element of the remuneration of each Director during the FY 2023 are set out in the table below.2) No remuneration was paid to the Non-Executive Directors who are also the Independent Non-Executive Directors of the Company other than Directors' Fee and Audit Committee Fee.3) All Independent Non-Executive Directors do not sit on the board of any subsidiaries of the Group.

No	Name	Directorate	Company ('000)								Group ('000) ¹							
			Directors' Fee	AC Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Directors' Fee	AC Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Tan Sri Dato' Seri (Dr.) Fumihiko Konishi	Executive Director	200	0	0	264	46	53	88	651	849	0	0	1,800	261	81	796	3,787
2	Yap Kee Keong	Executive Director	200	0	0	360	63	12	171	806	945	0	0	1,200	207	40	571	2,963
3	Dr Yuma Konishi	Executive Director	100	0	0	0	0	0	0	100	296	0	60	589	98	46	154	1,243
4	Dato' Azman bin Mahmud	Independent Director	80	0	0	0	0	0	0	80	80	0	0	0	0	0	0	80
5	Dr Zarizana @ Izana binti Abdul Aziz	Independent Director	80	10	0	0	0	0	0	90	80	10	0	0	0	0	0	90
6	Jony Raw	Independent Director	80	10	0	0	0	0	0	90	80	10	0	0	0	0	0	90
7	Azian binti Mohd Yusof	Independent Director	80	10	0	0	0	0	0	90	80	10	0	0	0	0	0	90

Note:

1. The remuneration stated in this Group's segment includes the remuneration stated in the Company's segment.

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>1) The disclosure on the remuneration of top 5 senior management in the bands of RM50,000 is set out in the table below.</p> <p>2) The disclosure below is based on the remuneration of the top 5 senior management of the Group which excludes the Group Chief Financial Officer. The Board has considered this matter and is of the opinion that the disclosure on a named basis would not be in the best interest of the Group due to confidentiality and security concerns as well as the competitive conditions for talent in the industry.</p> <p>The Board had benchmarked the remuneration package of the Company's senior management with industry standards to ensure the remuneration of the senior management is appropriate and aligned with the individual's responsibilities and contribution. With the existing robust internal process, the Board believes that the remuneration of the top five senior management is fair and in line with market practices as the remuneration packages are justified by individual performance, job responsibilities and the Group's performance against financial objectives.</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						
			Directors' Fee	Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Senior Management 1	N/A	150,001 – 200,000	450,001 – 500,000	0 – 50,000	300,001 – 350,000	0 – 50,000	50,001 – 100,000	1,100,001 – 1,150,000
2	Senior Management 2	N/A	50,001 – 100,000	600,001 – 650,000	0 – 50,000	100,001 – 150,000	0 – 50,000	100,001 – 150,000	1,000,000 – 1,050,000
3	Senior Management 3	N/A	50,001 – 100,000	650,001 – 700,000	0-50,000	100,001 – 150,000	0-50,000	0-50,000	800,001 – 850,000
4	Senior Management 4	N/A	50,001 – 100,000	600,001 – 650,000	0-50,000	50,001 – 100,000	0-50,000	50,001 – 100,000	800,001 – 850,000
5	Senior Management 5	N/A	0-50,000	450,001 – 500,000	0 – 50,000	100,001 – 150,000	0 – 50,000	0 – 50,000	750,001 – 800,000

Intended Outcome

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

Practice 8.3 - 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	:	1) By the AC's Terms of Reference, Membership (sub-paragraph 5.0), the AC shall elect a Chairman from among its members who shall be an Independent Non- Executive Director who is not the Chairman of the Board. On 1 January 2020, Mr Jony Raw, a Certified Public Accountant and Chartered Accountant and an Independent Non- Executive Director of the Company was re-designated as AC Chairman. He is not the Chairman of the Board. The Chairman of the Board is Tan Sri Dato' Seri (Dr.) Fumihiko Konishi.
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	:	1) To-date, the Company has not appointed a former audit partner to be a member of the TRB AC. Furthermore, by the AC's Terms of Reference, Membership (sub-paragraph 3.0), no former audit partner shall be appointed as a member of the Audit Committee before observing a cooling-off period of at least 5 years.	
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	:	<ol style="list-style-type: none">1) Texchem group adopted the revised 2021 Malaysia Corporate Governance Practise 9.3, by establishing policies and procedures to access the suitability and independence of external auditors. The new policies and procedures have been approved by AC on 27th October 2021.2) The AC meets with KPMG and the internal auditor twice a year without the presence of the management.3) The AC has obtained annual assurance of independence from external auditors after the audit.4) The AC has conducted an annual evaluation of the performance of the external auditor and undertaken follow-up measures, where required.
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>1) By the AC's Terms of Reference, AC members are appointed by the Board from among the Board members and shall consist of no fewer than 3 Non-Executive Directors, with a majority of them being independent.</p> <p>2) The composition of the AC during the year was as follows:</p> <table border="1"><thead><tr><th colspan="2">Members</th></tr></thead><tbody><tr><td>Mr. Jony Raw</td><td>Chairman, Independent Non-Executive Director</td></tr><tr><td>Dr.Zarizana @ Izana Binti Abdul Aziz</td><td>Independent Non-Executive Director</td></tr><tr><td>Puan Azian Binti Mohd Yusof</td><td>Independent Non-Executive Director</td></tr></tbody></table>	Members		Mr. Jony Raw	Chairman, Independent Non-Executive Director	Dr.Zarizana @ Izana Binti Abdul Aziz	Independent Non-Executive Director	Puan Azian Binti Mohd Yusof	Independent Non-Executive Director
Members										
Mr. Jony Raw	Chairman, Independent Non-Executive Director									
Dr.Zarizana @ Izana Binti Abdul Aziz	Independent Non-Executive Director									
Puan Azian Binti Mohd Yusof	Independent Non-Executive Director									

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	:	<ol style="list-style-type: none">1) The AC members are expected to devote adequate time to update their knowledge and skills through appropriate continuing education programmes so that they can discharge their responsibilities effectively as an AC.2) The AC Chairman and members of the AC are financially literate and have carried out their duties in accordance with the AC's Terms of Reference.3) Based on the outcome of the AC effectiveness assessment carried out by the NC during the year, the Board is satisfied with the AC's performance as its Chairman and members possessed the necessary knowledge, experience and skills necessary for the overall effectiveness of the AC in the following:<ol style="list-style-type: none">a) Financial reporting and its process<ul style="list-style-type: none">• The AC reviewed the quarterly unaudited financial statements of the Group with Management in the presence of the Chief Audit Executive ("CAE") before recommending them for approval by the Board and issuance to stakeholders.• The AC reviewed the audited annual financial statements of the Company and Group with Management in the presence of the external auditors and CAE before recommending them for approval by the Board and issuance to stakeholders.<p>As part of the governance process to review the quarterly and annual financial statements by the AC :</p><ul style="list-style-type: none">• Based on the assurance assignments undertaken in each quarter, the CAE assured the AC that there were no material issues or major control deficiencies noted which

would pose a high risk to the overall system of internal control under review.

- The AC has reviewed with Management the quarterly unaudited Condensed Consolidated Financial Statements which have been prepared in all material respects with MFRS134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of the Listing Requirements.
- The external auditors have presented their independent Auditor’s Report on the Annual Audited Financial Statements of the Company and Group for the year ended 31st December 2023 together with the key audit matters therein and their observations, findings and recommendation for improvements noted during their audit.

(b) Continuing education:

During the year, the AC members attended the following training programmes to keep abreast of the latest industry developments, financial reporting standards and business practices:

Director	Training/ Seminars/ Conferences
Jony Raw	1) A Decarbonisation Remit for Finance Function. 2) Environmental, Social & Governance (“ESG”) Reporting and Enhanced Conflict of Interest (“COI”) disclosure, including review by the Audit Committee. 3) Bursa Malaysia e-learning on Corruption and Bribery.
Dr. Zarizana @ Izana Binti Abdul Aziz	1) Advocacy sessions for Directors and CEOs of Main Market Listed Issuers. 2) Environmental, Social & Governance (“ESG”) Reporting and Enhanced Conflict of Interest (“COI”) disclosure, including review by the Audit Committee. 3) Bursa Malaysia e-learning on Corruption and Bribery.
Puan Azian Binti Mohd Yusof	1) Circular Economy Conference 2023. 2) Environmental, Social & Governance (“ESG”) Reporting and Enhanced Conflict of Interest (“COI”)

		disclosure, including review by the Audit Committee. 3) Bursa Malaysia e-learning on Corruption and Bribery.
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	:	<ol style="list-style-type: none"> 1) The Board affirms its’ responsibility for the integrity, adequacy and effectiveness of TRB Group’s risk management and internal control system. This system covers governance, enterprise risk management, organisational, financial, operational, regulatory and compliance controls. 2) The Board recognises that the system is an ongoing process designed to manage, rather than eliminate the risk of not complying with the Group’s policies and achieving its long-term strategic objectives. Therefore, the system provides reasonable, but not absolute assurance against the occurrence of any material misstatement of information, loss or fraud. 3) The Group has an Enterprise Risk Management (“ERM”) framework in line with ISO31000 aligned with corporate objectives and embedded in the daily operations of individual companies. The ERM system is an ongoing and systematic process to identify, analyse, evaluate, respond, monitor and report on risks. 4) The Group has a Risk Management Policy which is a statement of its overall intention and commitment to adopt and use enterprise risk management to achieve corporate objectives. The policy which is available on the Company’s website (www.texchemgroup.com) applies to the Company and its’ subsidiaries excluding associates.
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	:	<p>1) The key features and processes that have been established to ensure the adequacy and effectiveness of the Group's governance, risk management and internal control system are as follows:</p> <p>a) Organisational and Reporting Structure</p> <ul style="list-style-type: none">• The Group has an organisational structure with clearly defined lines of responsibility and delegation of authority. A hierarchical reporting system is in place with appropriate authority limits, proper segregation of duties, annual budgeting, monthly reporting of variances between the actual and budgeted results for corrective action to be taken and human resource management policies. Policies and procedures to ensure compliance with risk management, internal controls and relevant laws and regulations are set out in the standard operating procedures of the individual companies. <p>b) Executive Committee</p> <ul style="list-style-type: none">• An EXCO was established by the Board to manage the Group's key risks and operations in accordance with its' annual budget and long-term strategic objectives and strategies as well as the policies and business directions as approved by the Board. The EXCO executes the strategies approved by the Board and addresses issues arising from changes in the external environment and internal operating conditions. <p>c) Risk Governance Structure</p> <ul style="list-style-type: none">• The current risk governance structure comprises the following namely:<ul style="list-style-type: none">i) Individual companies' management and risk owners who perform and monitor day-to-day risk management activities and controls.ii) Risk and compliance oversight in which the Group Chief Risk Officer and Divisional Management and their risk officers are responsible for designing, reviewing and improving the risk management framework and process to ensure effective risk management.

	<p>iii) The provision of independent assurance by the internal audit function on the adequacy and effectiveness of risk management and internal control system.</p> <p>iv) Board oversight and monitoring of the effectiveness of the Group's risk management activities and internal controls.</p> <p>e) Risk Management Process (Operational, Financial, Anti-Bribery & Corruption)</p> <ul style="list-style-type: none"> • At the individual company level, risks were identified, analysed and evaluated using risk (heat) maps currently based on their likelihood of occurrence and severity of consequence expressed as the financial impact on revenue, cash flow, profit, legal and compliance and reputation. Risks were rated as critical, high, moderate and low in which key risks identified would comprise mainly critical, high and moderate risks. • Every 6 months, the Management of individual companies will review the relevance of existing risks and assess new ones. The respective company's own risk profile is updated after assessing the suitability and effectiveness of the risk controls. • The Divisional President/CEO then reviews the divisional risks and their control effectiveness with Individual companies' Management. The Risk Report by each Divisional President/CEO is then submitted to the Chief Risk Officer at the corporate headquarters for review. • The Chief Risk Officer has reviewed and presented the Group's Risk Report and updated the Board every 6 months on the status of the Group's enterprise risk management process, changes in risk profiles and their controls in place. <p>f) Group's Anti-Corruption System</p> <ul style="list-style-type: none"> • The Group has implemented its Anti-Corruption Policy and Procedures based on the T.R.U.S.T. principles set out in the Guidelines on Adequate Procedures issued by the Prime Minister's Department in accordance with Section 17A of the Malaysian Anti Corruption Commission Act 2009. The Anti-Corruption Policy and Procedures including the revised Code of Conduct and Ethics and the Vendor Code of Conduct were designed to assist Directors and employees to identify and avoid corrupt acts and provide guidance on the standards of behaviour to which all Directors and employees must adhere to. In the year 2023, the Group has carried out controls to evaluate the risk of bribery and corruption associated with third parties based on Due Diligence Policy, Procedures and Dealing with External Stakeholders/Parties. In addition, an awareness training has been conducted to ensure such risks are mitigated. The Group shall continue with its effort in strengthening the measures put in place in relation to its Anti-Corruption Policy and Procedures from time to time.
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	<p>g) Risk Management Assurance</p> <ul style="list-style-type: none"> • The Group’s in-house Internal Audit function has conducted independent audits of major subsidiaries on the adequacy and effectiveness of their governance, enterprise risk management and internal control systems, operational effectiveness, compliance with policies and procedures and highlighted findings of noncompliance, control deficiencies and recommendations for improvement. • An enterprise risk-based annual audit plan setting out the audit timing, areas of audit focus and scope of work has been approved by the AC at the beginning of each year. • During the year, the Internal Audit function has provided the Senior Management, AC and Board with reports on the audit findings, recommendations for improvement and management’s responses and action plans. The Internal Audit has also provided the AC and Board with updates on the subsequent execution of the management’s action plans. Audit issues and actions taken by Management were discussed and deliberated during the AC meetings. Minutes of the AC meetings which recorded these deliberations were tabled to the Board. A summary of these issues, if material, and other matters highlighted by the Internal Audit for the year was also tabled for the Board’s attention at year-end. <p>h) Assurance by President & Group Chief Executive Officer and Group Chief Financial Officer</p> <ul style="list-style-type: none"> • The Board has also received assurance from the President & Group Chief Executive Officer and Group Chief Financial Officer that the risk management and internal control systems of the Company and its subsidiaries were operating adequately and effectively, in all material aspects based on the risk management and internal control system adopted.
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

Intended Outcome

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	:	<ol style="list-style-type: none">1) The AC is assisted by an in-house Internal Audit function in discharging its duties and responsibilities which is independent of the Group's operations and business activities.2) The Internal Audit function is established to add value and improve the Group's operations by conducting independent and objective assurance and consulting activities to ensure the adequacy and effectiveness of the Group's governance, anti-bribery and corruption, whistleblowing, risk management and internal control system in achieving corporate objectives. In its current structure, the Internal Audit can provide Directors and Management with pertinent information about weaknesses in the system of risk management and internal control allowing Management to take timely remedial action.3) The Internal Audit's position, objectives, independence, ethical conduct, authority, role, responsibilities and scope of work are articulated in the Internal Audit Charter approved by the Board which is posted on the Company's website, www.texchemgroup.com. The Internal Audit Charter is reviewed annually and updated as and when required.4) The Internal Audit function reports administratively to the Group Chief Executive Officer and functionally to the AC which reviews and approves its annual risk-based audit plan, cost budget and human resources requirements to ensure it is adequately resourced with competent and proficient internal auditors. The AC also conducts annual performance evaluations of the Internal Audit function and its staff.5) An enterprise risk-based approach aligned with corporate objectives is adopted in audit planning so that critical and high audit risk areas are audited annually. Audit risks are determined based on enterprise risks identified by Management, prior audit experience and Management input. They are then rated as critical, high, moderate and low audit risks based on the same criteria of the likelihood of occurrence and consequence adopted in the Group's enterprise risk management system. The plan, which covers the audit of subsidiaries excluding associates, sets out the

	<p>audit timing, scope of work, areas of audit focus and resource requirements.</p> <p>6) During the year, the Internal Audit conducted assurance assignments in accordance with the risk-based plan. The Internal Audit function reviewed and evaluated the adequacy and effectiveness of internal controls of the Group’s governance and risk management system relating to:</p> <ul style="list-style-type: none"> • Achievement of corporate objectives • Reliability and integrity of financial and operating information • Effectiveness and efficiency of operations process and controls • Effectiveness and efficiency of Anti-Bribery and Corruption process and controls in accordance with the MACC Act Section 17A • Safeguarding company assets • Compliance with relevant laws, regulations, internal policies and procedures <p>7) Audit findings and recommendations for improvement were reported in the Internal Audit Reports addressed to Senior Management for prompt corrective action to be taken. The AC was provided with these Audit Reports with management’s responses and their action plans for review and deliberation with Management at the AC meetings. Follow-up reviews were also conducted by the Internal Audit function to ensure that audit matters were adequately addressed by Management.</p> <p>8) At year end, the CAE has presented the yearly executive summary, annual plan and budget to the AC, highlighting significant audit matters and issues, if any, noted during the year that the Internal Audit wished to bring to the Board’s attention.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

Intended Outcome

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	:	<ol style="list-style-type: none">1) All internal audit personnel (including the Head of Internal Audit) are free from any relationships or conflicts of interest, which could impair their objectivity and independence. This will be disclosed in the upcoming Audit Committee Report.2) The Internal Audit Department governs itself through adherence to International Professional Practices Framework (“IPPF”) promulgated by The Institution of Internal Auditors. The IPPF encompasses the Definition of Internal Auditing, Core Principles, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing.3) As part of its quality assurance and improvement programme, the Internal Audit function conducts an annual internal assessment of its conformance to the Standards and Code of Ethics and provides the assessment results to senior Management, Audit Committee and Board at year-end. These assessment results are validated independently by an external assessor within a certain time frame.4) At year-end, the CAE has provided assurance to Senior Management, Audit Committee and the Board that during the year the Internal Audit function and activities were conducted in conformance with the Standards and Code of Ethics and the audit assignments were also undertaken objectively and independently, free from any conflicts of interest and relationships, and in accordance with the Group’s Internal Audit Charter.5) During the year, the Internal Audit function was headed by the CAE, Mr. Lim Aik Luen, who has a Master of Business Administration from University of Sunderland (UK), Bachelor Degree in Accounting from Victoria University of Technology (Australia) and is a member of the Institute of Internal Auditors. He has 23 years of experience in internal audits from various public listed companies. He has intimate knowledge and understanding of the business and

	<p>operations of all Divisions and has direct access to the TRB Board members and Divisional Management.</p> <p>6) As at 31st December 2023, the staff strength of the Internal Audit function was 2 comprising the CAE and 1 Manager who all are accounting graduates, with external and internal auditing experience and all are members of the IIA Malaysia.</p> <p>7) In 2023, the Internal Audit staff attended relevant training courses to enhance their professional competency and skills in 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	:	<ol style="list-style-type: none">1) The Company acknowledges the importance of timely and equal dissemination of material information to shareholders, investors and public at large. As such, the Board observes the Corporate Disclosure Guide issued by Bursa Malaysia Berhad which can be viewed from Bursa Securities' website at www.bursamalaysia.com as well as adhering to and complying with the disclosure requirements of the Listing Requirements.2) While the Company endeavours to provide as much information as possible to its shareholders and stakeholders, it is mindful of legal and regulatory framework governing the release of material and price-sensitive information. Such material and price-sensitive information is not released unless it has been duly announced or made public through proper channels.3) The Company's website, www.texchemgroup.com, provides a comprehensive avenue for the dissemination of the latest information to the shareholders and public, such as dedicated sections on corporate information including financial information, Company news and corporate governance. Shareholders are able to put questions to the Company through its email published in the website and the Company will reply accordingly.4) The Company maintains a Facebook page "Texchem Group – Official" and "Texchemer ENGAGE" where corporate events and staff activities are posted as a way to engage with the employees and general public in this digital era.5) The Company's sub-subsidiary Sushi King Sdn Bhd ("SKSB") has also launched Sushi King membership apps which allows stakeholders to communicate with SKSB at any time.6) The AGM is the principal forum for dialogue with shareholders who are given opportunity and time to express their views or raise questions in connection with the Company's operations, financial performance and other matters affecting shareholders' interests.

	<p>7) As an ongoing effort for the Company to strengthen the Company's relationship with the shareholders, the Company continues to build shareholders' confidence by keeping shareholders informed of all major developments and performance of the Group through timely announcement on quarterly results and various disclosures and announcements made to the Bursa Securities via the Bursa Link, press releases, the Company's Annual Reports and circulars to shareholders and maintaining an active dialogue with shareholders with the intention of giving shareholders as much as possible, a clear and complete picture of the Company's performance and position.</p> <p>8) Press conferences may be held to brief members of the media on key events of the Company where necessary. In addition, throughout the financial year under review, the Company had a programme for meetings or interviews with the investment community or press.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

Intended Outcome

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	:	<ol style="list-style-type: none">1) The Company endeavours to issue the Notice of AGM at least 28 days prior to the meeting to accord sufficient time to the shareholders to prepare for the meeting and make informed voting decisions.2) Last year's AGM ("49th AGM") was held on 17 May 2023 by way of a virtual meeting. The Notice, Proxy Form and Administrative Guide for the 49th AGM were issued on 17 April 2023 and were also published in the Company's website at www.texchemgroup.com. The Notice for the forthcoming AGM ("50th AGM") scheduled on 29 April 2024 will be issued on 29 March 2024. The notice period for AGMs since 2018 is a minimum of 28 days, which is in compliance with the requirement under the Company's Constitution, the Act and the Listing Requirement that require the Notice of AGM to be sent out at least 21 days prior to the AGM.3) The Notice of AGM also provides detailed explanations for resolutions proposed along with any background information and reports or recommendations that are relevant, where required and necessary, to enable shareholders to make informed decisions regarding the business agenda of the AGM. The Notice of AGM, Proxy Form and Administrative Guide are also published in the Company's website at www.texchemgroup.com.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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	:	<ol style="list-style-type: none">1) Given concerns surrounding the fluctuating number of cases of COVID-19 and the guidance issued by the Securities Commission Malaysia and the Ministry of Health, the Company has conducted its 49th AGM by way of a virtual meeting through live streaming and online remote voting using the Remote Participation and Voting Facilities (“RPV”).2) At the 49th AGM, all the 7 Directors were present to engage directly with the shareholders. Out of the 7 Directors, 3 Directors were the Chairmen of the AC, NC and RC respectively. All Directors and Chairmen of the Board Committees were present to provide response to questions posted by shareholders. The senior management and external auditors were also in attendance to respond to the shareholders' queries.3) The shareholders and proxies attended the 49th AGM via RPV which were available on Securities Services e-Portal at https://sshsb.net.my/.4) The 49th AGM proceedings included the Group CEO's presentation of the Company's operations and financial performance for 2022 and Questions & Answers sessions.5) Since the 49th AGM was conducted on a virtual basis through live streaming, the shareholders were encouraged to send questions in relation to the agenda items for the 49th AGM or about the Group's operations in general before the 49th AGM to trb@texchemgroup.com. Alternatively, shareholders may also post question during the AGM via query box facility.6) The Chairman and the Group CEO took turns to read out and answer the relevant questions received in advance and those via real time typed texts submission from the shareholders. Where it is not possible to provide immediate answers, the Chairman will undertake to furnish the shareholder with a written answer after 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	:	

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company does not have a large number of shareholders to warrant voting in absentia at a General Meeting. As at 12 March 2024, the Company has 4019 shareholders. The Company did not, in the past, held meetings in remote locations and does not intend to have meetings in remote locations in the future.</p> <p>1) To encourage shareholders to attend General Meetings: -</p> <p>a) the Company, as stated in the Constitution of the Company, allows its shareholders to vote by proxy. A shareholder entitled to attend, speak and vote at a meeting may appoint proxy/ proxies to attend, speak and vote instead of the shareholder.</p> <p>b) where the situation permits, the Company would hold its general meeting at places that are easily accessible and at a time convenient to the shareholders. The Company has held its AGMs in Jen Hotel in the past as it is familiar to most shareholders of the Company since many past AGMs were held at the same venue.</p> <p>c) given concerns surrounding the fluctuating number of cases of COVID-19, the 49th AGM was conducted on a virtual basis using the Remote Participation and Voting Facilities (“RPV”). The RPV enabled shareholders to attend, participate, submit questions prior to the AGM and via real time submission of typed texts and to vote remotely without physically attending the meeting.</p> <p>Shareholders were provided with the Administrative Guide which sets out the guidelines for shareholders and proxies on the conduct and voting procedures using RPV 28 days prior the 49th AGM.</p> <p>The results of the RPV have been duly verified by Commercial Quest Sdn Bhd, the independent scrutineer appointed by the Company, and announced by the Chairman at the AGM. The</p>

	<p>details of the voting results were announced to Bursa Securities on the same day.</p> <p>Therefore, the intended outcome of this Practice has been achieved as the shareholders were able to participate and engage with the Board and senior management effectively to make informed voting decisions at the AGM.</p> <p>2) Pursuant to Paragraph 8.29(A) of the Listing Requirements, all resolutions tabled at general meetings will be put to vote by way of a poll and verified by an independent scrutineer. Accordingly, the Company has adopted poll voting for all resolutions proposed since the Extraordinary General Meeting held in 2016. The voting results were announced at the meetings and through Bursa Securities on the same day.</p> <p>3) The Company has dedicated significant resources in reducing cyber threats, attacks and security risks and it has also extensively enhanced cyber control and protection profile to support the changes of working method by the Company's employees i.e., remote working.</p> <p>4) Nonetheless, the Company recognises that cyber threats are constantly evolving, becoming increasingly sophisticated and complex due to factors, amongst others, the increasing demand across the industry and customer expectations for continued expansion of services delivered over the internet; increasing reliance on internet-based products, applications and data storage; and remote working in response to the COVID-19 pandemic.</p> <p>5) As such, the Company acknowledges the need to continuously improve its monitoring and control of cyber threats through effective security measures and protocols, amongst others:</p> <ul style="list-style-type: none"> a) to conduct regular cybersecurity and privacy training for employees; b) to focus on ensuring that the Company's technology systems remained stable and that heightened fraud monitoring and cybersecurity is in place; and b) to concentrate on defending the Company's systems against increased levels and new forms of attack from external agents. <p>6) The Company also continues to focus on complying with laws and regulations relating to data privacy.</p>
<p>Explanation for departure</p>	<p>:</p>

<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	: 1) The President and Group CEO presented the Report on TRB Group to the shareholders at the beginning of the 49 th AGM. 2) Shareholders were encouraged to submit their questions before the 49 th AGM at trb@texchemgroup.com or post the questions using query box facility during the 49 th AGM. In addition, upon commencement of the 49 th AGM, the Chairman duly advised the shareholders that they were allowed and encouraged to submit their questions or queries in the query box of RPV throughout the 49 th AGM proceedings. 3) The Company facilitates and encourages shareholder participation at its AGMs. These meetings provide an update for shareholders on its performance and offer an opportunity for shareholders to ask questions and vote. The Chairman and the Group CEO read out and answered the relevant questions received. 4) All the Directors, senior management and external auditors also participated in the 49 th AGM to provide response to questions posted by shareholders. 5) The Company encourages shareholders to make their views known to the Company. Shareholders can contact the Company at any time through the Company's Investor Relations team, with contact details available at the Company's website www.texchemgroup.com or the Company's Facebook page "Texchem Group – Official".
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

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

Practice 13.5

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

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.

Application	:	Applied
Explanation on application of the practice	:	<ol style="list-style-type: none">1) The Company engaged Securities Services (Holding) Sdn Bhd to provide the Remote Participation and Voting Facilities (“RPV”).2) Shareholders were provided with the Administrative Guide which sets out the guidelines for shareholders and proxies on the conduct and voting procedures using RPV at least 28 days prior to the 49th AGM.3) The Company has closely monitored the RPV during the 49th AGM to ensure a seamless execution of the 49th AGM and also a smooth interaction between the Company and its shareholders.4) Relevant questions posted by shareholders would be made visible to all meeting participants during the AGM.5) Further details on the conduct of this virtual meeting are set out in the explanation to Practice 13.3 of this CG Report.6) The Company’s virtual engagements with its shareholders have risen throughout the year via various digital platforms and this reflected its focus on continuous engagement with its shareholders.
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

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 :	Minutes of the 49 th AGM were available on the company's website at www.texchemgroup.com within thirty (30) business days after the 49 th 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.

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