

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0012
COMPANY NAME : Three-A 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 PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	: Applied
Explanation on application of the practice	<p>The Board of Directors ("the Board") is responsible for the overall governance of the Company and its subsidiaries (collectively referred to as the Group) and discharges this responsibility through compliance with relevant rules, laws, regulations, directives and guidelines in addition to adopting the best practices in the Malaysia Code on Corporate Governance ("MCCG"). Collectively, the Directors combine their diverse experience and qualifications on commercial, regulatory, industry and financial expertise to discharge their duties and responsibilities. The Board plays an active role in strategic decision-making matters of the Group. The key responsibilities of the Board include reviewing and adopting a strategic plan, overseeing the conduct of business, risk management, succession planning and reviewing internal controls.</p> <p>The Board has oversight on duties and responsibilities assigned to Management and usually meets at least four (4) times in each financial year on a quarterly basis.</p> <p>The roles and responsibilities of the Board are set out in the Company's Board Charter which is available at www.three-a.com.my</p> <p>The Board has set up committees to assist it in carrying out its duties and responsibilities effectively as follows:</p> <ol style="list-style-type: none">i. Audit Committee ("AC");ii. Nomination Committee ("NC");iii. Remuneration Committee ("RC"); andiv. Risk Management Committee ("RMC"). <p>Although specific powers had been delegated to the Board Committees, the Board keeps itself abreast with relevant key issues and decisions via presentation of Board Committee's reports and minutes of meetings.</p>

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

Intended Outcome

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

Practice 1.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Chairman holds an Independent Non-Executive position and is responsible for instilling good governance practices, leadership and effectiveness of the Board through chairing of board meetings, representing the Board to shareholders, reviewing and approving together with the Board members on board matters and policies.</p> <p>The Chairman sets the Board meeting agenda in consultation with the Company Secretaries and ensures that Board members receive complete and accurate information in a timely manner.</p> <p>When chairing the Board meetings, the Chairman leads and provides explanation to the Board on the agenda and encourage active participation from other Board members during the Board meetings.</p> <p>The Chairman also ensures sufficient channels of communication available to stakeholders and that their views can reach the Board for consideration.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the Board is Dato' Jagjit Singh a/l Bant Singh ("Dato' Jagjit"), an Independent Non-Executive Director, whereas the Managing Director ("MD") is Mr Fong Chu King @ Tong Chu King ("Mr Fong CK").</p> <p>The primary role of the Chairman of the Board is to ensure the effective functioning of the Board while the key role of MD is to lead and manage the Group's operations and execute the decisions made by the Board.</p> <p>The distinct roles of the Chairman and the MD, with their clear division of responsibilities, ensure the balance of power and authority.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	The Chairman of the Board, Dato' Jagjit Singh a/l Bant Singh (" Dato' Jagjit "), an Independent Non-Executive Director is not a member of the Audit Committee, Nomination Committee or Remuneration Committee
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company Secretaries of Three-A Resources Berhad ("the Company" or "3A") are qualified company secretaries under Section 235(2) of the Companies Act 2016.</p> <p>The Companies Secretaries had performed the following during the financial year under review: -</p> <ul style="list-style-type: none">• Co-ordinating with the Board on the meeting agenda and schedule;• Managing all Board, Board Committees and General meetings;• Attending and drafting the minutes of all Board, Board Committee and General meetings;• Advising and supporting the Board and Board Committees by ensuring adherence to the Company's Constitution, Board policies and procedures, rules, relevant laws, best practices on Corporate Governance, provisions in Companies Act 2016 and Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities");• Preparing and submitting the statutory forms as required under the Companies Act 2016 to the Registrar of Companies; and• Submitting corporate announcements electronically via Bursa LINK to Bursa Securities.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of information supply in promoting informed Board discussions and deliberations which will help the Board to oversee the conduct of business and evaluate the Management's performance of the Group.</p> <p>Therefore, Management ensures that each Director was provided with timely notices and minutes of meetings. Board papers were circulated to the Board members prior to the Board meetings in order to provide the Board members with timely information and sufficient preparation time, to enable them to deliberate issues more effectively during Board meetings.</p> <p>All Directors are furnished with comprehensive information including the meeting agenda at least five (5) business days before meeting. The Board reviewed and ensured that proper and adequate Board agendas were covered for the Board's deliberation. All Directors are allowed to access to the advice and services of the Company Secretary as well as to obtain all information within the Group as and when required.</p> <p>Besides, all Directors can obtain independent professional advice, whether individually or as a Board, where necessary and in appropriate circumstances at the Group's expense.</p> <p>All Directors are reminded to always ensure that minutes of Board meetings are accurately reflected the full deliberations of the matter and decisions of the Board, including whether any Director abstains from voting or deliberating on a particular matter.</p> <p>The Board met four (4) times during the financial year under review and the schedule for the annual meetings was made in advance to facilitate Directors' planning.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board Charter clearly spelt out the roles and responsibilities of the Board and outlines Board membership guidelines and more specifically the role of the Chairman in leading the Board.</p> <p>Besides, the Board Charter also stipulates the Board structures of the Committees and Procedures of Board meetings besides communication with shareholders and other stakeholders.</p> <p>The Board would periodically review and update the Board Charter in line with changing needs of the Company and any new regulations to enable the Board to discharge its responsibilities effectively. The Board Charter is made available on the corporate website at www.three-a.com.my</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is committed to high levels of ethics and integrity in the conduct of business. There is a Code of Conduct and Ethics that the Company put in place to govern and promote ethical behaviours in the conduct of the business and it applies to the management, employees and contract workers of the Group.</p> <p>Besides, the Company also adopted a Whistleblowing Policy for employees of the Group to report unethical conduct in their daily work. The Board believes such actions enable employees to exercise sound judgement in their work in order to adhere to the highest ethical standards.</p> <p>The Board would periodically review and update the Code of Conduct and Ethics in line with the changing needs. The Code of Conduct and Ethics is available on the corporate website at www.three-a.com.my</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is committed to high standard governance and has put in place a Whistleblowing Policy to encourage the ethical conduct of employees as well as to assure employees in reporting misconduct practices and the mechanisms for reporting any forms of misconduct, illegal acts or corrupt practices.</p> <p>The Whistleblowing Policy spelt out the scope of the policy and the procedures for reporting such matters and the due process that should take place.</p> <p>The Board would periodically review and update the Whistleblowing Policy in line with the changing needs. The Whistleblowing Policy is available on the corporate website at www.three-a.com.my</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board governs and supervises the sustainability matters of the Group. They recognise the importance of ensuring sustainability risks as well as opportunities are considered in the development of business strategies of the Group. The Board is supported by the Sustainability Committee (“SC”) that comprises of an independent director and executive directors who make recommendations to the Board on significant economic, environmental and social sustainability matters. In turn, a Sustainability Working Committee (“SWC”) assists the SC and is responsible for the identification, implementation, assessment, monitoring and reporting of sustainability matters.</p> <p>As a food and beverage ingredients manufacturer, the Group adopts sustainability considerations across all functions from supply chain, manufacturing, marketing, sales, human resources and health & safety, finance, legal & compliance.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.2

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

Application	: Applied
Explanation on application of the practice	<p>The SC meets regularly to review and deliberate on sustainability strategies and reports on sustainability matters. Economic, Environmental and Social (“EES”) priorities and targets were set and continuously updated for key functions and regular meetings are held for deliberation. These EES targets are communicated company-wide using intranet and mobile-messaging communication as well as notices throughout the premises to ensure the Company’s sustainability strategies, key priorities and targets are communicated to all employees.</p> <p>As for external stakeholders, the Group’s EES priorities are communicated using our corporate website and various communication platform with external stakeholders. The EES indicators and targets are as follows:</p> <ul style="list-style-type: none">- Customer satisfaction rate with a target of 80%;- Percentage of used plastic packaging containers reconditioned and reused by weight yearly with a target of 20%;- Average training per employee with a target of 10 hours and- Target of no serious accident.

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

Intended Outcome

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

Practice 4.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board together with Management are expected to address sustainability related risk and understand sustainability matters intimately.</p> <p>The Board regularly receives reports on sustainability matters from the Sustainability Committee. During discussions, the Board proactively makes inquiries surrounding progress and status of sustainability initiatives of the Group.</p> <p>The Board is committed to stay abreast with sustainability issues associated with the evolving operating environment which are relevant to the Group's business, including the effect of climate change, climate related risk and opportunities by attending "Anti-Bribery and Anti-Corruption in Malaysia and Environmental, Social, Governance (ESG), Climate Change and Sustainability Reporting" training in FY2023.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board includes a review of the performance of the Board and senior management in addressing the Group’s material sustainability risks and opportunities in performance evaluations of the Board and senior management.</p> <p>In particular, some of the economic, environmental and social indicators that are taken into consideration are Health & Safety target for the Human Resource division, Waste Recycling target for the Supply Chain function and Responsible Customer Relations target for the Business Development division.</p> <p>The Board evaluation questionnaire in relation to Environmental, Social and Governance or Sustainability was completed by each of the Board member and the results were tabled to the Board at the Board meeting held in February 2024. The Board will ensure that senior management evaluates the same in financial year ending 31 December 2024.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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	:	Mr Liew Kuo Shin (" Mr Liew "), the Executive Director and General Factory Manager, also serves as the Chief Sustainability Officer of the Company. He is the designated person who has overall responsibility and manages sustainability strategies and initiatives of the Group. He is supported by other departments and functions, such as Business Development, Human Resources, IT, Research & Development and Legal & Compliance.

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Nomination Committee consists of three (3) Independent Non-Executive Directors, namely Dato' Shamesh a/l Jeevaretnam ("Dato' Shamesh"), Ms Karmjit Kaur a/p Sarban Singh ("Ms Karmjit") and Mr Jamel Bin Ibrahim ("Mr Jamel").</p> <p>In accordance with the Terms of Reference ("TOR") of the NC, each director is subject to annual performance assessment of the director's performance and effectiveness in carrying out the duties by the NC. The NC ensures the Board composition has the right mix of skill, knowledge and expertise to align to the Company's objectives and goals.</p> <p>The annual performance assessment of each Director for the financial year ended 31 December 2023 ("FYE 2023") was conducted and results were tabled to the Board by Chairman of NC at the meeting held in February 2024.</p> <p>Based on the results of the annual performance assessment of the individual Director, the NC was of the view that all directors had performed satisfactorily and possessed the character, experience, integrity and competence to discharge their roles. In terms of time commitment, generally all Directors had devoted sufficient time in discharging their role as Director.</p> <p>The directors who are standing for re-election had also completed the fit and proper assessment and the NC is satisfied and makes recommendation to the Board for their re-election for consideration.</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

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

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	At the end of the financial year 2023, the Board of Directors comprises nine (9) Directors, four (4) of whom are Independent Non-Executive Directors.	
		<p>The Board has the right size, with the right balance of executive and non-executive directors and is in compliance with Paragraph 15.02(1) of the MMLR of Bursa Securities which requires at least two (2) Directors or one-third (1/3) of the Board of Directors are Independent Directors.</p> <p>The Board is satisfied with the effectiveness of the present composition of the Board and of the view that it will not jeopardise the independence element in deliberations even if the Independent Directors are less than 50%.</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

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	:	Not Applicable	
Explanation on application of the practice	:	The Company does not have any independent director with tenure beyond nine (9) 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

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

Practice 5.4 - Step Up

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

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

Application	:	Not adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The appointment of members of the Board and Senior Management of the Group is based on objective criteria, merit, qualifications, mix of expertise, skills, experience and also consideration for gender diversity, age and cultural background.</p> <p>In the selection of Board candidate, the NC refers to the Directors' Fit and Proper Policy adopted by the Company and will assess and evaluate the time commitment to be contributed by the new candidates to ensure that they are able to devote the sufficient time to serve the Board effectively.</p> <p>The Group is committed to pursue diversity in both the Board of Directors and the Senior Management team as a diverse Board could offer the depth and breadth required for strategic decisions whilst the diversity of Senior Management will lead to objective and effective decision-making process.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>In FY 2023, the NC met and assessed few candidates for the replacement of the outgoing Director. After taking into consideration the criteria set out in the Directors' Fit and Proper Policy, the NC made recommendation to the Board for the appointment of Mr Jamel Bin Ibrahim as the Independent Director on 13 June 2023.</p> <p>During the process of evaluating candidates' appropriateness, the curriculum vitae was given to the NC for consideration before being recommended to the Board for approval. The NC evaluated each candidate based on their background, skill, experience, and competence. Prior to the appointment of proposed new directors, the Board must approve their appointment and a fit and proper declaration must be completed.</p> <p>The NC is given the task of assessing and recommending the suitability of potential candidates prior to the appointment as Board members to the Board and they carry out the task independently without solely relying on recommendations from existing board members, management or major shareholders.</p> <p>If new appointment of Director is necessary, the Board will engage independent sources for sourcing suitably qualified candidates in the future.</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

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>The procedures for appointment, re-election and re-appointment of Directors are set out in the Terms of Reference of the NC and fit and proper policy, which are accessible at the Company's website.</p> <p>The Board had provided its statement of recommendation for the re-election of Mr Fong Chu King @ Tong Chu King ("Mr Fong"), Mr Liew Kuo Shin ("Mr Liew") and Mr Kee Thuan Chai ("Mr Kee") in the Explanatory Notes 3 (Ordinary Business) and Mr Jamel Bin Ibrahim ("Mr Jamel") and Mr Tan Soon Hoe ("Mr Tan") in Explanatory Notes 4 (Ordinary Business) respectively in the Notice of 22nd AGM dated 30 April 2024.</p> <p>The profiles including qualifications, relevant work experience and interests of the aforesaid Directors are set out on pages 5 to 9 of the Annual Report 2023 for information of shareholders.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The NC is chaired by Dato' Shamesh who is an Independent Non-Executive Director of the Company.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	During the financial year 2023, the Board comprises three (3) women Directors, representing 33.33%, out of nine (9) Directors.	
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 5.10

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The composition of the Board fulfils Practice 5.9 of the MCGG i.e. at least 30% of the Board comprises women Directors. The Board takes note of the need to establish a gender diversity policy in 2023 for the board and senior management. The Board will consider gender diversity as part of its future selection to identify suitable candidates if the need arises. Such candidates will be strictly assessed based on merit, their competencies, time commitment, experience, gender diversity, age and cultural background, and competencies required for an effective Board.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The annual evaluation is conducted by NC on the effectiveness of the board as a whole, the committees of the board and contribution of each individual director and independence of Independent Directors as well as the Key Officer of the Company via the following evaluation forms:</p> <ol style="list-style-type: none"> 1. Board and Board Committee Evaluation Form 2. Directors'/Key Officers' Evaluation Form 3. AC Evaluation Form 4. AC Members' Self and Peer Evaluation Form 5. Board Evaluation Questionnaire relating to ESG or Sustainability 6. Financial Literacy Questionnaire 7. Annual Assessment & Confirmation by Independent Director <p>The results of the assessment were collated by the Company Secretary and were tabled to the NC for deliberation. Thereafter, the Chairman of the NC tabled the evaluation results for FYE 2023 to the Board at the Board meeting held in February 2024.</p> <p>Based on the outcome of the assessments, the NC and Board concluded that the Board, Board Committees, individual Directors and Key Officers have been overall effective and efficient in discharging their duties and responsibilities during the FYE 2023.</p>
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The RC is responsible and has put in place 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 Policy & Procedures is available at the Company's website at www.three-a.com.my.</p> <p>The Group is committed to ensure that its remuneration policy is reasonable to attract and retain suitably qualified Directors and Senior Management who are required to lead and manage the Group effectively. The components of the remuneration package offered to Executive Directors and Senior Management are linked to corporate and individual performance. On the other hand, the level of remuneration of Non-Executive Directors is reflective of their level of responsibilities and experience.</p> <p>The Remuneration Policy & Procedures shall be reviewed periodically or as and when it is necessary.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The RC comprises exclusively of Independent Non-Executive Directors and is responsible to evaluate the remuneration packages of executive directors and senior management and recommends the same for the Board's approval.</p> <p>The Board is responsible to recommend Non-Executive Directors' fees to the shareholders with the Non-Executive Directors concerned abstaining from deliberations and voting on decisions in respect of their respective fee.</p> <p>The authority, duties and responsibilities of the RC are defined in the TOR of the RC, which is available on the Company website at www.three-a.com.my</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The detailed disclosures on named basis for the remuneration of individual directors are disclosed in the table attached hereto.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Jagjit Singh a/l Bant Singh	Director	160	-	-	-	-	-	160	230	-	-	-	-	-	230
2	Fong Chu King @ Tong Chu King	Director	-	-	-	-	-	-	-	-	-	732	824	-	17	1,573
3	Fang Siew Ping	Director	-	-	-	-	-	-	-	-	60	528	506	-	131	1,225
4	Liew Kuo Shin	Director	-	-	-	-	-	-	-	-	60	528	506	-	131	1,225
5	Chew Eng Chai (Resigned on 26 May 2023)	Director	39	-	-	-	-	70	109	39	-	-	-	-	70	109
6	Lim Yee Mein	Director	30	-	-	-	-	-	30	30	-	-	-	-	-	30
7	Kee Thuan Chai	Director	30	-	-	-	-	-	30	30	-	-	-	-	-	30
8	Dato' Shamesh a/l Jeevaretnam	Director	65	-	-	-	-	-	65	65	-	-	-	-	-	65
9	Karmjit Kaur a/p Sarban Singh	Director	65	-	-	-	-	-	65	65	-	-	-	-	-	65
10	Jamel Bin Ibrahim (Appointed on 13 June 2023)	Director	35	-	-	-	-	-	35	35	-	-	-	-	-	35

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	:	Not applicable – adopted Step Up 8.3	
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	:		

No	Name	Position	Company/Group					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total

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	:	Adopted
Explanation on adoption of the practice	:	The full detailed remuneration of each of the four (4) members of senior management on a named basis is as below.

No	Name	Position	Group ('000)					Total
			Salary	Allowance	Bonus	Benefits	Other emoluments	
1	Fong Chu King @ Tong Chu King	Managing Director	732	-	824	-	17	1,573
2	Fang Siew Ping	Senior Manager of Business Development cum R & D	528	60	506	-	131	1,225
3	Liew Kuo Shin	General Factory Manager/ Chief Sustainability Officer	528	60	506	-	131	1,225
4	Fong Peng Fai	Group Financial Controller	468	60	449	-	107	1,084

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	:	The Chairman of the AC is Mr Jamel Bin Ibrahim, an Independent Non-Executive Director who is not the Chairman of the Board.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>None of the members of the Board and the AC were former key audit partner of the current external audit firm of the Group. The AC is mindful of the minimum three (3) years cooling-off period best practice under the MCGG before a former key audit partner is to be appointed as a member.</p> <p>The above policy was incorporated into the TOR of the AC, which is available on the corporate website: www.three-a.com.my. The AC TOR was last reviewed in April 2022.</p> <p>By adopting Practices 9.1 and 9.2, the Board is able to uphold the independence of AC and to provide the comfort that the Company's financial statements are being reviewed objectively by AC in order to ensure its reliability.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The AC conducts an annual assessment of the EA to assess the suitability, objectivity and independence demonstrated by the EA during the financial year.</p> <p>During the annual assessment, the AC will consider:</p> <ul style="list-style-type: none">• Competence, audit quality and resource capacity of the EA in relation to the audit;• Nature and extent of audit and non-audit services rendered, inclusive of appropriateness of level of fees; and• Written assurance from EA confirming their independence throughout conduct of the audit including all level of professional and regulatory requirements. <p>The review on the Group's EA i.e. Messrs BDO PLT for FYE 2023 was carried out in February 2024 and AC was satisfied with the performance and independence of Messrs BDO PLT. Thereafter, the AC has recommended to the Board at the Board meeting held on 22 February 2024 for re-appointment of Messrs BDO PLT as EA of the Company at the forthcoming 22nd AGM for shareholders' approval.</p> <p>For further information on the activities carried out by the AC during FYE 2023 and the internal audit function of the Group, please refer to the AC Report on pages 77 to 79 of the Annual Report 2023.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	All three (3) members of the AC are Independent Directors and they are: <ul style="list-style-type: none">- Mr Jamel Bin Ibrahim (Chairman);- Dato' Shamesh; and- Ms Karmjit.

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>All members of the AC have relevant experience and necessary skills and expertise to effectively discharge their duties.</p> <p>The qualification and experience of each AC member is disclosed in the Board of Directors’ Profile on pages 6 to 8 of the Annual Report 2023. All members of the AC had undertaken continuous professional development and details of trainings attended can be found on page 70 of the Annual Report 2023.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors recognises its responsibilities and has always placed significant emphasis on sound internal controls which are necessary to safeguard the Group’s assets and shareholders’ interest.</p> <p>The Board established a RMC to develop procedures and risk management practices encompassing financial, operational and compliance controls. Nonetheless, the Board as a whole remains responsible for the overall risk management in the Group while the responsibilities for execution of business plan and control and monitoring of risks are led by the Managing Director, Executive Director and the senior management team.</p> <p>The Group has established an effective risk management and internal control framework based on the international risk management framework principles.</p> <p>The Statement on Risk Management and Internal Controls which provides an overview of the state of internal controls within the Company set out in the Company’s Annual Report 2023.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The key responsibilities of the Risk Management Working Committee (“RMWC”) is to conduct continuous on-going review on the risk identified in the current risk register and to monitor the implementation, adequacy and effectiveness of management action plans to mitigate the identified risks and report to the RMC for decision making. The RMC reports to the Board on the overall progress and status of the Group risk management practices on a quarterly basis.</p> <p>RMC had identified and documented the Group’s key risks based on the international risk management framework principles. All identified operational risks were documented and compiled in a group risk register. This group risk register was presented to the Board for consideration of the effectiveness of the risk management in the Group.</p> <p>Regular reviews are conducted by the Group’s outsourced independent internal audit function to evaluate the effectiveness and adequacy of the key controls and report to the Audit Committee of their audit findings and recommendations for improvement.</p> <p>Overall, there were no significant risks. All identified risks are within manageable level in accordance with the risk appetite of the Group. Further explanation of the Group’s state of risk management is reported in the Statement on Risk Management and Internal Control in the Company’s Annual Report 2023.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company had outsourced its internal audit function to a third-party internal audit firm, namely IA Essential Sdn Bhd. The Internal Auditors ("IA") has conducted their work based on the broad principles of the International Professional Practice Framework of the Institute of IA covering the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders. Besides reviewing the internal control systems, the Internal Auditor also assesses the governance, risk management and anti-corruption practices of the Group.</p> <p>When reviewing the IA reports, the AC will consider the impact of the audit issues and assess whether management has provided their comments appropriately reflecting their commitment to the audit recommendations.</p> <p>AC will perform the performance assessment as and when the internal auditor has presented the internal audit report to AC. In carrying out the performance assessment, AC will consider the quality of services and report provided; sufficiency of consultancy firm resources; and independence, objectivity, and professional scepticism.</p> <p>Details on the internal audit activities carried out during the year are reported in the AC Report of Annual Report 2023 on page 79.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>There is no other engagement of services between the internal audit firm and the Company that may create conflict of interest or impair their objectivity and independence during the FYE 2023.</p> <p>The internal audit function is headed by a director of the internal audit firm namely Mr Chong Kian Soon ("Kian Soon") and supported by an audit team comprising a manager and an executive who are accounting graduates. The director in charge is Kian Soon. Kian Soon is a member of Chartered Accountants Australia and New Zealand, the Malaysian Institute of Certified Public Accountants and the Institute of Internal Auditors Malaysia.</p> <p>The IA performs their work with reference to the International Professional Practice Framework of Institute of IA covering the conduct of the audit planning, execution, documentation, communication of findings and consultation with key stakeholders.</p> <p>The AC had in February 2024 conducted the evaluation of the IA and satisfied with their performance and quality of work.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company recognises the importance of maintaining accountability and transparency to its shareholders through proper communication with its shareholders and stakeholders. The Company reaches out to its stakeholders through its distribution of the annual reports, public announcements, company website, investor relations through telephone or emails.</p> <p>The AGM is where the Company's shareholders are encouraged to raise issues or concerns and for the Board to address them accordingly. Shareholders were also given the opportunity to raise queries prior to and during the course of the AGM.</p> <p>Besides that, the Group issues annual reports, press releases, quarterly results and any announcements on material corporate exercises through public communication channels timely to its stakeholders.</p> <p>The Group maintains a website at www.three-a.com.my for shareholders and the general public to access information on the Group's background and products, financial and other relevant information of the Group.</p> <p>The Company also uploaded the minutes of 21st AGM, summary of key Questions and Answers on the Company's website within thirty (30) business days from the date of 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	:		
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Intended Outcome

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

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

Practice 12.2

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

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
Explanation for departure	:	Not applicable, the Company is not required to comply with this requirement.	
<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	:	<p>In order to promote shareholders' participation and engagement with the Board and senior management effectively in the AGM, the Notice of the 21st AGM of the Company was issued on 27 April 2023, i.e. more than 28 days' notice prior to the AGM date. The Board would ensure that the Notice of AGM contains details of resolutions proposed along with background information and explanatory notes that are relevant.</p> <p>By doing so, shareholders will have sufficient time to prepare and consider the resolutions that will be discussed and decided at the AGM and will be able to make informed decision when exercising their voting rights at the AGM.</p> <p>The explanatory notes contained in the notice of the AGM provided an explanation of the resolutions proposed as Special Business to brief the shareholders on the proposals and to assist them to make informed decision in exercising their voting rights.</p> <p>Along with the notice of AGM, a detailed Administrative Guide was also circulated to all shareholders to guide them on participating in the Company's virtual basis 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

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

Practice 13.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>All directors attended the Company's 21st AGM that was held on a virtual basis through live streaming and online Remote Participation and Electronic voting ("RPEV") facilities from the Broadcast Venue.</p> <p>All Directors attended the 21st AGM of which five (5) Directors had physically attended from the Broadcast Venue, whilst four (4) Directors attended the 21st AGM remotely via the Online Meeting Platform.</p> <p>The Chairman of the Board, AC, NC and RC were physically present at the Broadcast Venue to provide response if there are any questions addressed to them.</p> <p>Apart from the Directors, the Group Financial Controller, Senior Management, Company Secretary and the EA also participated in the AGM to respond to the shareholders' queries.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The 21st AGM held on 26 May 2023 of the Company was conducted on a virtual basis via RPEV facilities from the Broadcast Venue at Level 3A, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan.</p> <p>By leveraging on the RPEV facilities, shareholders were able to participate in the 21st AGM remotely, submit questions online and vote in real time, without physically attending the AGM.</p> <p>The Company has appointed Boardroom Share Registrar Sdn Bhd as Poll Administrator to conduct the poll by way of electronic voting (e-Voting) and Sky Corporate Services Sdn Bhd as Independent Scrutineer to verify the poll results. Upon conclusion of the poll session, the Independent Scrutineer verified the poll results followed by the declaration of results by the Chairman of the meeting.</p> <p>The poll results detailing the number of votes cast for and against each resolution and the respective percentages were announced to Bursa Securities via Bursa LINK after 5 p.m. on the same day.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: The Company encourages active participation from the shareholders in the AGM as an open platform for shareholders to raise questions on the Group's performance. The Board strives to answer as many questions raised prior and during the AGM as possible with concise answers during the AGM. If there are questions which cannot be answered due to time constraint in the AGM, the Board will undertake to provide a response that is subsequently uploaded onto the corporate website. Minutes of the 21st AGM as well as the summary of questions and answers during the 21st AGM are made available with answers respectively on the corporate website within thirty (30) business days of the AGM for shareholders.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application :	Applied
Explanation on application of the practice :	<p>The 21st AGM was conducted on a virtual basis through live streaming and online RPEV facilities from the Broadcast Venue.</p> <p>The Board encourages active participation from shareholders in the virtual general meeting by raising queries or providing feedback.</p> <p>The Board and Senior Management Team answered as many questions as possible during the virtual general meeting and for those questions remaining to be answered due to time constraint in the AGM, the Board had provided a response that was subsequently uploaded onto the corporate website within thirty (30) business days of the AGM.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
Application	:	Applied
Explanation on application of the practice	:	The Board had made available minutes of the AGM on the corporate website, www.three-a.com.my within thirty (30) business days after the AGM for shareholders.
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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