

CORPORATE GOVERNANCE REPORT

STOCK CODE : 6633
COMPANY NAME : LEONG HUP INTERNATIONAL 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' ("Board") key role is to ensure long-term sustainability of the Company and enhance shareholders' value, taking into consideration the interests of other stakeholders including business partners, employees, customers, suppliers, regulators, local communities, non-governmental organisations and the general public. Additionally, the Board is collectively accountable to shareholders for the overall management of Leong Hup International Berhad ("LHI" or the "Company") and its subsidiaries (the "Group") and retains full and effective control over the affairs of the Company, and is responsible for the overall governance and stewardship of the Company. For this, the Board is actively charting the Company's strategy and direction in discharging its fiduciary duty while safeguarding the interest of stakeholders. Among the responsibilities shouldered by the Board are:-</p> <ol style="list-style-type: none">1) Reviewing and adopting a strategic business plan for the Group During the financial year ended 31 December 2023 ("FY 2023"), the Group's business plan, budget and management proposals were presented to the Board during Board meetings. The Board reviewed, discussed and approved Management's proposals and recommendations after thoughtful consideration of long-term value creation and ethical business practices including the forecasts and assumptions made by the Management in developing the budget for the following year. This strategic process enables the Management to execute their tasks effectively and plan the utilisation of resources efficiently.2) Overseeing the conduct of the Group's business The Group Chief Executive Officer ("CEO") together with the Key Senior Management updated the Board on various management issues, among others, the Group's business update, operation performance, the expansion progress, risk management as well as challenges and key initiatives proposed by Management team via quarterly meetings held in FY 2023. The Board also received a

comprehensive summary of the Group's financial performance for each reporting period. Where appropriate and required, other relevant members of the Management team are invited to the Board meeting to support the Group CEO and/or Key Senior Management in presenting these updates and to provide clarifications on the queries and issues raised by the Board. This control which serves as a check and balance ensures that the Group's business is carried out in accordance with the direction set by the Board as well as assists in assessing management performance.

3) Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures

Enterprise Risk Management workshop was carried out across the core business segments of the Group not only in Malaysia, but also in Singapore, Indonesia, Vietnam and the Philippines. Through this workshop, critical operational and financial risks are identified together with their severity to the stakeholders, as well as the existing mitigating factors in place to reduce the impact. The Board ensures that an appropriate and sound risk management framework is implemented by the Management to mitigate those identified risks. An internal audit function was established which reports directly to the Audit and Risk Committee ("ARC") to ensure that robust internal control systems are in place. A periodic internal audit findings and risk assessment report are tabulated and presented to the Board during FY 2023 via ARC for better management and monitoring of the risks. This report also ensures that the adequacy and the integrity of the management information and internal controls system of the Group are maintained from time to time, such that they remain appropriate in light of the material changes to the size, nature and complexity of the Group's operations.

4) Succession planning

The Board ensures that all candidates appointed to the Board and key management position are filled by competent personnel and of calibre with the assistance of the Nomination Committee ("NC"). The Board also ensures that a structural and strategic succession planning are in place and there are appropriate balance of skills, expertise and experience, professionalism and knowledge which are necessary for the Group's business.

5) Overseeing the implementation of the Group's governance framework

The Board, together with the Key Senior Management, strive to promote a corporate culture within the Group which emphasises ethical, transparent and professional behaviour. Company Secretaries are entrusted with the roles to update the Board with the latest corporate governance best practices. The Board, through thoughtful consideration, deliberated on the feasibility and practicality of adopting and implementing corporate governance

	<p>best practices in the Company vis-à-vis the relevant regulatory requirements during the FY 2023. The Board and Key Senior Management assume the primary role in driving these corporate governance agenda and fostering a strong compliance culture within the Group by ensuring that officers understand their responsibilities in respect of compliance and feel comfortable raising concerns without fear of retaliation.</p> <p>6) Implementing an informative investor relations framework The Board is of the view that timely and informative update of the Group’s major developments to the shareholders is of primary importance to ensure that shareholders are well-informed of all major developments affecting the state of affairs of the Group. A proper investor relations communication channel had been established to provide a transparent and timely update of the on-going progress of the Group’s affairs to valued stakeholders and assure them of the health of the Group. During the FY 2023, the Group CEO and Group Chief Financial Officer had conducted regular dialogues with financial analysts to convey information relating to the Group’s financial and operational performance, corporate strategy and other relevant matters that affecting shareholders’ interests.</p> <p>7) Embracing Environmental, Social and Governance (“ESG”) practices into the operations of the Company The Board took into consideration of ESG aspects while formulating the Group strategic plan. The Group Chief Operating officer (“COO”), supported by a committee was tasked to spearhead the integration of ESG in the Group. A Sustainability Committee (“SC”) was formed on 28 November 2023 with the Group COO as Committee Chairman to oversee the Group’s sustainability strategy and initiatives covering environmental, social, governance and economical aspect as well as embedding sustainability practices into the businesses.</p> <p>The Board Charter, which further details out the roles and responsibilities of the Board is available on the Company’s website at https://www.leonghupinternational.com/.</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>

Timeframe	:		
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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 1.2

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>Mr Lau Chia Nguang helms the Board as Non-Independent Executive Chairman to provide leadership at Board level and represents the Board to shareholders and other stakeholders. The Executive Chairman presides over meetings of the Board and is responsible for instilling best corporate governance practices, providing leadership and ensuring effectiveness of the Board and its Committees. The Executive Chairman is primarily responsible for the following:</p> <p>i. ensuring orderly conduct of Board meetings by:</p> <ul style="list-style-type: none">• setting the agenda for each Board meeting together with the Company Secretaries and the Group CEO. Other Directors and Key Senior Management may also be consulted;• ensuring the provision of accurate, complete, timely and clear information to the Directors;• leading Board meetings and discussions;• managing boardroom dynamics by promoting a culture of openness and debate;• encouraging active participation and allowing dissenting views to be freely expressed; and• ensuring all Directors are properly briefed on issues arising at Board meetings in a timely manner. <p>ii. providing leadership to the Board in its collective oversight of management by:</p> <ul style="list-style-type: none">• taking a leading role in establishing an effective corporate governance system and practices, including Board and Committees' Charters, Committees' structure and ensuring that induction as well as ongoing education programmes for Directors are in place;• ensuring that prior to new appointments to the Board, an assessment is undertaken on the candidate, which may include a competency and behavioural analysis of the candidate; and• ensuring that the Board and senior executive succession planning is considered on an ongoing basis. <p>iii. ensuring effectiveness of the Board by:</p> <ul style="list-style-type: none">• arranging regular evaluation of the performance of the Board, its Committees and individual Directors and discussing the

	<p>performance assessment with individual Directors and Committees' Chairman/Chairperson.</p> <p>The roles and responsibilities of the Chairman of the Board are specified in the Board Charter which is available on the Company's website at https://www.leonghupinternational.com/.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges the importance of having different individuals holding the positions of Chairman and Group CEO so as to ensure a balance of power and authority and no individual has unfettered powers of decision and control.</p> <p>Mr Lau Chia Nguang was appointed as the Company's Executive Chairman on 1 October 2018. In his capacity as Executive Chairman, he represents the Board to the shareholders and other stakeholders to ensure the integrity and effective overall functioning of the Board and its Committees.</p> <p>The Group CEO, Tan Sri Lau Tuang Nguang, is responsible for the overall business and day-to-day management of the Group which includes organisational effectiveness and implementation and execution of Board strategies, policies and decisions.</p> <p>The key roles and responsibilities of the Chairman of the Board and the Group CEO are clearly demarcated in the Board Charter which is accessible at the Company's website, https://www.leonghupinternational.com/.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application	: Applied
Explanation on application of the practice	: Mr Lau Chia Nguang, the Non-Independent Executive Chairman of the Board is not a member of any Board Committees since listing and does not participate in any of the Board Committees meetings by way of invitation. The Terms of Reference of the Board Committees clearly states that the Board Chairman shall not be appointed as a member of any Board Committees. Mr Low Han Kee, the Senior Independent Non-Executive Director of the Company serves as the Chairman of the ARC whilst Mr Tay Tong Poh, the Independent Non-Executive Director of the Company serves as the Chairman of the NC. Ms Goh Wen Ling, the Independent Non-Executive Director of the Company serves as the Chairperson of the Remuneration Committee ("RC"). Having the positions of the Chairman of the Board and Chairman of the various Board Committees assumed by different individuals allows the Board to discharge their duties with unfettered objectivity.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by three (3) suitably qualified Company Secretaries in discharging their functions. They are either a member of The Malaysian Institute of Accountants (MIA) or The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). The Company Secretaries are experienced and competent in performing their duties. The Company Secretaries constantly attend relevant conferences and training programmes to keep themselves abreast with the evolving regulatory changes and corporate governance development.</p> <p>The Company Secretaries play an advisory role to the Board, particularly in relation to the Company's Constitution, Board policies and procedures and its compliance with corporate disclosures, regulatory requirements and advocate adoption of corporate governance best practices. The Board is regularly updated and advised by the Company Secretaries on new statutory and regulatory requirements as well as corporate governance best practices to enable them to discharge their duties and responsibilities effectively.</p> <p>Apart from ensuring compliance with the statutory requirements, the Company Secretaries also attended all Board and Board Committees meetings held during the FY 2023 as well as the 9th Annual General Meeting ("AGM") and ensure that deliberations and resolutions passed are accurately and properly documented. In addition, the Company Secretaries worked closely with the Key Senior Management to ensure timely and appropriate information flows within the Board and Board Committees, and between the Non-Executive Directors and Key Senior Management.</p> <p>All Directors have ready and unrestricted access to the advice and services of the Company Secretaries in carrying out their duties. The appointment and removal of the Company Secretaries should be a matter for the Board as a whole.</p> <p>Further details on the roles of the Company Secretaries are set forth in the Company's Board Charter which is accessible at the Company's website at https://www.leonghupinternational.com/.</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 1.6

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>During the FY 2023, the Board and the ARC had 5 meetings each whilst the NC and RC had 4 and 2 meetings, respectively. Prior to each meeting, all Board and Committee members are furnished with proper agenda (including minutes) with due notice issued and agenda papers containing the relevant information to be deliberated at the meeting. This is to accord sufficient time for the Directors and Board Committee members to review, consider and obtain further information or seek clarification on the matters to be deliberated at the meeting, if required, from the Key Senior Management or the Company Secretaries.</p> <p>All pertinent issues discussed at the Board and Board Committees meetings in arriving at the decisions and conclusions are recorded in a clear, accurate, consistent, complete and timely manner, including matters where Directors abstained from deliberation and/or voting on a particular matter. The draft minutes are circulated to the Directors and Board Committee members for perusal prior to confirmation at the following meeting. The minutes recorded clearly the decisions and conclusions including key deliberations, rationale for each decision made and any concerns or dissenting views. In the intervals between Board meetings, Board's decisions or approvals for matters that are urgent or administrative in nature will be sought via circular resolutions which are supported with relevant information and explanations and the same applies to the Board Committees.</p> <p>In addition, the Board and Board Committees meetings are not combined with the main board meeting since listing. The ARC meeting is held at least one day before the board meeting to ensure adequate time for thorough discussion with the Management on financial results, operational issues, internal control, corporate governance and audit-related matters before making any recommendation to the Board.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

There is 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 is guided by its Charter which sets out the Board practices and processes, roles and responsibilities of the Board, Executive Chairman, Group CEO, Executive and Non-Executive Directors, Independent Director, Senior Independent Director and Board Committees, including a formal schedule of matters reserved to the Board. It provides an overview of how the Board leads by strategic guidance and effective oversight of the management of the Company. It also sets out the delegation of authority by the Board to the Board Committees namely, ARC, NC, RC and SC.</p> <p>The Board Charter will be reviewed and updated to reflect the relevant practices and processes recommended in the Malaysian Code on Corporate Governance.</p> <p>The Board Charter which was last reviewed on 25 April 2024 is available on the Company's website at https://www.leonghupinternational.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 3.1

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 had adopted the Code of Ethics for Directors (“CoD”) which enables the Board and each Director to focus on areas of ethical risk and provides guidance to Directors to help them recognise and deal with ethical issues and provides mechanisms to report unethical conducts and helps foster a culture of honesty and accountability. The principles of this CoD are based on sincerity, integrity, responsibility and corporate social responsibility.</p> <p>The Board had also adopted the Code of Conduct and Ethics for Employees (“CoE”) of the Company. All employees shall observe and maintain high standards of integrity and ethical behaviour in the performance of their duties and responsibilities. The CoE sets out the prohibited activities or misconduct involving bribery and corruptions, gifts and hospitality, dishonest behaviour and sexual harassment. The CoE was last reviewed by the Board on 27 February 2024.</p> <p>In line with the corporate liability provision under Section 17A of the Malaysian Anti-Corruption Commission Act 2009, the Board had formalised an Anti-Bribery and Corruption (“ABC”) Policy which extends across the Group’s business dealings in all countries in which the Group operates. The policy sets out rules and guidance to the Directors, Key Senior Management and employees of the Group as well as third parties who are acting for or on behalf of the Group on how to recognise and deal with potential acts of bribery and corruption arising in the course of operations. The ABC Policy was last reviewed by the Board on 28 November 2023.</p> <p>The CoD, CoE and the Company’s ABC Policy are available on the Company’s website at https://www.leonghupinternational.com/.</p>
Explanation for departure	:	

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

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board had in place a Whistleblowing Policy that provides a mechanism and avenue for employees and any external party to report any breach or suspected breach of any law or regulation or to raise concerns on any misconduct, in a safe and confidential manner.</p> <p>The Board has the overall responsibility for overseeing the implementation of the Whistleblowing Policy, and all whistleblowing reports are addressed to the ARC, via email or ordinary post.</p> <p>The Whistleblowing Policy is available on the Company's website at https://www.leonghupinternational.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 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 Group's sustainability efforts are underpinned by the three key pillars, namely economic, environmental and social ("EES"). The Board holds ultimate responsibility in ensuring the Group's strategy supports long-term value creation and includes strategies on EES considerations underpinning sustainability. A SC which is chaired by the Group COO brings leadership to the Group in the implementation of sustainability strategies approved by the Board. The SC is responsible for overseeing the Group's overall sustainability process, which has been put in place to identify, assess, manage and report the Group's material sustainability matters. The heads of business of the Group's domestic and overseas operations, is led by the Group CEO and SC in ensuring the Group's sustainability process is effectively carried out.</p> <p>The Company has published its sustainability statement in its annual report since listing. The sustainability statement encompassing the Group's on-going sustainability initiatives for each financial year as well as the various endeavours of the Group to build up the three key pillars of the Group's sustainability efforts.</p> <p>The Sustainability Statement which includes material issues relating to ESG indicators is embedded in the 2023 Annual Report and is available at the Company's website at https://www.leonghupinternational.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 4.2

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	:	The Company has established stakeholder practice for respective stakeholder groups and remains committed to communicate effectively with its shareholders and other stakeholders the Company’s strategies, priorities and targets. Throughout the year, the Group endeavours to keep an open line of communication with its stakeholders to manage and address their interests, expectations and concerns. In communicating the sustainability matters, various types of stakeholders’ engagement are adopted, depending on the target stakeholders such as face-to-face meeting with regulators, customers, suppliers, email communications with interested public, quarterly analyst briefing and AGM. Through the sustainability matrix, key sustainability matters are identified. On yearly basis, the Group’s on-going sustainability initiatives, material sustainability matters as well as the activities undertaken by the Group to support the sustainability practices and corporate social responsibility initiatives are disclosed in the 2023 Annual Report of the Company (under Sustainability Statement).
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 continuously keep themselves abreast with and understanding of the sustainability agendas which are relevant to the Company and its business. The impacts that relate to sustainability themes such as business diversity, compliance of law and regulations, minimum wages, biosecurity, cyber threats, food safety, etc are constantly brought up in the board room for discussion and awareness. The Board also took note of the ESG Reporting Platform launched by Bursa Malaysia Securities Berhad (“Bursa Securities”) on 4 December 2023 which acts as a repository for disclosures conforming to the prescribed format mandated under Bursa Malaysia’s enhanced sustainability reporting requirements.</p> <p>In view of the increased interest from stakeholders and regulators on matters relating to sustainability, the Group will continue to engage with its stakeholders and explore further improvement in conducting the business in a more sustainable manner. The Board is also mindful of the need to keep abreast of the external trends. If necessary, external consultants will be engaged to provide training and knowledge development on sustainability matters to the Board.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.4

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The performance evaluations of the Board and Key Senior Management for FY 2023 does not include their performance in addressing the Company’s material sustainability risks and opportunities.	
		However, the NC, with the assistance of the Company Secretaries had carried out annual assessment and evaluation on the effectiveness of the individual Directors, Board and Board Committees for FY 2023. The assessment process included, among others, a review on the overall performance and effectiveness of the individual Directors, Board and Board Committees in carrying out their duties and responsibilities as stipulated in the Board Charter and Terms of Reference.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The NC will gradually develop the criteria or key performance indicator (“KPI”) for performance evaluation of the Board and senior management in addressing material sustainability risks and opportunities.	
Timeframe	:	Within 2 years	

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Adopted
Explanation on adoption of the practice	:	The Group's sustainability efforts are circumjacent around EES. The Board has established a SC which is chaired by the Group COO to oversee the implementation of the Group's ESG initiatives. The SC will spearhead the integration of ESG in the Group. When necessary, external consultant will be engaged to assist in documenting the Group's ESG practices and formalising the Group's ESG-related strategies, priorities and targets.

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 appointment of Directors is undertaken by the Board as a whole after reviewed and agreed by the NC. The NC evaluates the effectiveness of the Board and Board Committees, as well as assessing the contribution of each individual Director annually via Committee Evaluation, Self-Assessment Evaluation and/or Peer Review Evaluation. The NC had also reviewed the fit and proper, integrity and personality of each Director and Key Officer of the Company.</p> <p>In addition, the NC is also tasked to review and assess the performance and contribution of retiring Directors including the fit and proper criteria as set out in the Company's Fit and Proper Policy, adopted by the Board on 19 April 2022 and was last reviewed on 28 November 2023, before recommending to 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

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	:	<p>The Board currently consists of eleven (11) members, as follows:</p> <table border="1"><thead><tr><th>Designation</th><th>No. of Directors</th><th>%</th></tr></thead><tbody><tr><td>Non-Independent Executive Director</td><td>6</td><td>55%</td></tr><tr><td>Independent Non-Executive Director</td><td>5</td><td>45%</td></tr><tr><td>Total</td><td>11</td><td>100%</td></tr></tbody></table> <p>The Board composition complies with Paragraph 15.02 of the Listing Requirements of Bursa Malaysia Securities Berhad which requires at least 2 or 1/3 of the Board are Independent Directors.</p> <p>The Independent Directors are of high calibre with diversified background and wide skills and in-depth experience in boardroom and leadership positions. The Independent Directors are able to exercise strong independent judgement and provide check and balance to the Board with their unbiased and independent views as to foster greater objectivity in the Board of Directors. The Independent Directors also constantly engaging in in-depth discussion with the Key Senior Management.</p> <p>All the five Independent Directors met the criteria of “independence” under the Listing Requirements. The Board acknowledged that having a majority of Independent Directors would undeniably elevate objectivity and prevent dominance and complacency in the Board. Whilst the Board aims to meet the requirement, the uncertainties in poultry industry has led to profound changes and testing the resilience of the businesses. To this, the Board have been focusing on strategy business planning. The Board however endeavour to have a majority of Independent Directors in due course.</p> <p>The Board will assess the composition and size of the Board on an ongoing basis to ensure the needs of the Company are met. The Board is of the view that the current Independent Non-Executive Directors have the experience and business acumen necessary to carry sufficient</p>	Designation	No. of Directors	%	Non-Independent Executive Director	6	55%	Independent Non-Executive Director	5	45%	Total	11	100%
Designation	No. of Directors	%												
Non-Independent Executive Director	6	55%												
Independent Non-Executive Director	5	45%												
Total	11	100%												

	weight in the Board’s decisions, and act in the best interest of the shareholders.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	: The NC will continue to seek for qualified and competent candidates that can reinforce the independence of the Board and contribute to the effective governance of the Company.	
Timeframe	: Others	On-going

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	:	Currently, there are no Independent Directors serving beyond a cumulative term limit of nine 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.

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>	
Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is committed to encourage diversity and inclusion in the workplace. The Board has in place (i) a Board Diversity Policy which sets out the approach to a diverse Board's composition including but not limited to skills, industrial experience, background, race and other qualities; (ii) a Directors' Fit and Proper Policy which guides the Board for new board appointment as well as re-election of retiring Directors.</p> <p>The NC is delegated with responsibilities of assessing and recommending suitable candidates to be appointed as Directors and Board committee members.</p> <p>The NC will take into consideration the candidates' skills, knowledge, expertise and experience, commitment (including time commitment), professionalism, boardroom diversity including gender, age and ethnicity, cultural background, character, integrity and competence. For the position of Independent Directors, the NC will also evaluate the candidates' ability to discharge such responsibilities or functions as are expected from Independent Directors.</p> <p>The Board upon the recommendation of the NC, evaluates and decides on the appointment of the proposed candidate to the Board.</p> <p>The appointment of Key Senior Management is based on predetermined criteria that includes skill sets, integrity and leadership qualities, driven by their respective job descriptions.</p> <p>Based on the annual assessment for FY 2023, the Board concluded that the current Board composition consists of members that bring about diverse gender, skills, knowledge, expertise, experience, professionalism, integrity, competencies and independence. The Board was also satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities. As at the date of the report, none of the Directors of LHI hold more than five directorships in listed issuer and no politician was appointed to the Board.</p>

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

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The current process of appointment to the Board is based on the recommendation of the NC.</p> <p>The NC is responsible to identify and select the potential candidates as Director through various channels and avenues in addition to considering potential candidates proposed by senior executive, Director or major shareholder, prior to making recommendation to the Board.</p> <p>There was no new appointment of Director during the FY 2023.</p> <p>The Board will consider utilising independent sources to identify suitably qualified candidates when the need arises in the future.</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	:	Shareholders were provided with the detailed information on Directors who are standing for re-election at the 9 th AGM i.e. details of interest, position in the Company and family relationships with any Director and/or major shareholder via the explanatory notes to the Notice of 9 th AGM of the Company. The profile of the Directors who are due for retirement are set out in the 2023 Annual Report of the Company. In addition, the Board and the NC had assessed the performance and contribution of the retiring Directors before tabling the same to the shareholders for approval on 2 June 2023. The Board's statement of support on the re-election of the Directors is also set out in the explanatory notes to the Notice of 9 th AGM of the Company.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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 Mr Tay Tong Poh who is an Independent Non-Executive Director.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Pursuant to the Company's Board Diversity Policy, the Company shall have at least one female Director on the Board. Notwithstanding that, the Board currently comprises three (3) women Directors out of the eleven (11) Board members, which represents 27% of the Board's composition.	
		The Board strives to achieve at least 30% women representation on the Board and 20% women participation in Senior Management.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The NC will continue to seek for qualified and competent female candidates that can contribute to the effective governance of the Company as well as to meet the 30% women directors' composition.	
Timeframe	:	Within 2 years	

Intended Outcome

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

Practice 5.10

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Diversity Policy of the Company which includes gender diversity for the Board and senior management is disclosed in the Annual Report.</p> <p>The Board strives to have at least 30% women directors on Board and 20% women participation in Senior Management positions. The targets are outlined in the Diversity Policy which is available on the Company's website at https://www.leonghupinternational.com/.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Departure
Explanation on application of the practice	:
Explanation for departure	: <p>The Board did not engage an external independent consultant to undertake a formal annual evaluation of the Board, Board Committees and each individual director for the FY 2023. However, the Company had established a formal process for assessment of the effectiveness of the Board as a whole, various Board Committees and the contribution of each Director, facilitated by the Company Secretaries making reference to the guides available and the good corporate governance compliance.</p> <p>The NC had on 27 February 2024 carried out the annual assessment to determine the effectiveness of the Board, Board Committees and individual director and performance and contribution of each director in respect of the FY 2023.</p> <p>The evaluation process started with the development of the evaluation forms by NC, which were approved by the Board. Various factors for assessment were considered in the evaluation forms including its size, structure, composition, mix of skills and experience, time commitment, integrity etc.</p> <p>Below are the criteria used to assess Board, Board Committees and each individual Director during FY 2023:-</p> <p>(a) Board and Board Committees' assessment</p> <ul style="list-style-type: none">➤ Board structure and composition;➤ Quality of information and decision making;➤ Boardroom conduct and activities;➤ Board's relationship with the Management;

	<ul style="list-style-type: none"> ➤ Board skills matrix; and ➤ Overall Board effectiveness. <p>(b) Directors' self and peer assessment</p> <ul style="list-style-type: none"> ➤ Contribution and performance; ➤ Calibre and personality; and ➤ Fit and proper. <p>(c) Independent Directors' assessment</p> <ul style="list-style-type: none"> ➤ Criteria of Independence used in the definition of the "Independent Director" prescribed under the Listing Requirements; ➤ Other criteria such as compliance of the Company's independence policies and the ability to deal with related party transaction and conflict of interest; and ➤ Tenure of services as Independent Director of the Company. <p>The evaluation methods used are Committee Evaluation, Self-Review Evaluation and/or Peer Review Evaluation by completing questionnaires. The Directors' responses are collated by the Company Secretaries and a summary of the findings was presented to the NC for deliberation. The findings, alongside the recommendations are subsequently reported to the Board for further review and proposed actions.</p> <p>Based on the results of the assessment for the FY 2023, the NC was satisfied that the existing Board and Board Committees have discharged their respective roles and responsibilities in a conscientious manner.</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>At the moment, the NC does not recommend an external facilitator as the Board considers the assessment described above to be effective for the Company than prescribing an external facilitator in carrying out the annual assessment of the Board and Board Committees as well as the contribution and performance of each director. Nevertheless, the NC will continue to assess the need of engaging the services of independent experts periodically.</p>		
<p>Timeframe :</p>	<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Others</td> <td style="width: 50%;">On-going</td> </tr> </table>	Others	On-going
Others	On-going		

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board had on 23 November 2021 adopted a Remuneration Policy which sets out the remuneration principles and guidelines for the Directors and Key Senior Management of the Company. The Remuneration Policy aims to attract, motivate and retain qualified Directors and Key Senior Management.</p> <p>The RC reviews the remuneration of the Directors and Key Senior Management on an annual basis and makes recommendation to the Board for approval. The Board then determines the remuneration of Director with the interested Directors abstaining from any deliberations or voting on their own remuneration. The fees and other benefits paid to the Non-Executive Directors for carrying their duties as Directors of the Company are approved by the shareholders at the AGM.</p> <p>The RC will include “sustainability” as one of the KPIs of the Directors and Key Senior Management moving forward.</p> <p>The Remuneration Policy was last reviewed and revised on 27 February 2024 and is available on the Company’s website at https://www.leonghupinternational.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 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 Board has established a RC that comprises solely of Independent Non-Executive Directors. The RC is chaired by Ms Goh Wen Ling, the Independent Non-Executive Director.</p> <p>The RC is principally responsible for reviewing and assessing the remuneration packages of Executive Directors, Non-Executive Directors and Key Senior Management in all forms to ensure that they remain competitive, appropriate and commensurate with their experience, skills, level of responsibilities as well as industry benchmark to drive the Company towards long-term sustainable growth.</p> <p>The Directors who are also shareholders of the Company had abstained from voting on the resolution pertaining to the approval of Directors' fees at the last AGM held in June 2023.</p> <p>The RC's Terms of Reference can be accessed at https://www.leonghupinternational.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

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 details of the remuneration received/receivable by each Director during the FY 2023 are as follows:-

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	Lau Chia Nguang	Executive Director	-	-	-	-	-	-	-	559	114	3,758	2,546	356	68	7,401
2	Tan Sri Dato' Lau Eng Guang	Executive Director	-	-	-	-	-	-	-	-	-	2,286	3,839	21	1,130	7,276
3	Tan Sri Lau Tuang Nguang	Executive Director	-	-	-	-	-	-	-	618	90	2,005	4,479	24	1,275	8,491
4	Datuk Lau Joo Hong	Executive Director	-	-	-	-	-	-	-	-	90	3,709	3,651	-	753	8,203
5	Lau Joo Han	Executive Director	-	-	-	-	-	-	-	151	333	1,998	5,543	38	1,450	9,513
6	Lau Joo Keat	Executive Director	-	-	-	-	-	-	-	-	-	2,343	-	55	62	2,460
7	Low Han Kee	Independent Director	170	26	-	-	-	-	196	170	26	-	-	-	-	196
8	Datin Paduka Rashidah Binti Ramli	Independent Director	120	16	-	-	-	-	136	120	16	-	-	-	-	136
9	Chu Nyet Kim	Independent Director	150	30	-	-	-	-	180	150	30	-	-	-	-	180
10	Goh Wen Ling	Independent Director	160	26	-	-	-	-	186	208	34	-	-	-	-	242
11	Tay Tong Poh	Independent Director	130	20	-	-	-	-	150	130	20	-	-	-	-	150
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

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

Practice 8.2

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 - all members of senior management are members of the board	
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					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	Mr Low Han Kee, who is the Senior Independent Non-Executive Director of the Company serves as the Chairman of the ARC whilst Mr Lau Chia Nguang serves as the Chairman of the Board. Having the positions of the Chairman of the Board and Chairman of the ARC assumed by different individuals allow the Board to review the ARC's findings and recommendations with unfettered objectivity.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the need to uphold the independence of the external auditors from the Board and Management. The ARC had on 18 April 2022 reviewed and revised its Terms of Reference and the External Auditors' Assessment Policy and recommended to the Board to restrict the appointment of a former key audit partner of the Company as a member of the ARC unless the said former key audit partner has observed a cooling-off period of at least three (3) years as to safeguard the integrity and independence of the audit process.</p> <p>As at to date, none of the members of the ARC are former key audit partners.</p> <p>The Terms of Reference of ARC is available on the Company's website at https://www.leonghupinternational.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

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 Board, through the ARC, has maintained a formal, proper and transparent relationship with the external auditors. Before the commencement of the audit, the ARC discussed with the external auditors the nature and adequacy of the scope, functions and resources of the audit, and ensure co-ordination where more than one audit firm is involved.</p> <p>The ARC has direct communication channels with the external auditors to discuss audit findings, problems and reservations arising from the interim and final audits, and any matter that the external auditors may wish to discuss (in the absence of management where necessary). As part of the assessment of the performance of the external auditors, the ARC also reviewed the external auditors' management letter and response from management.</p> <p>Aside, the ARC had reviewed the nature and extent of non-audit services rendered by the external auditors during the FY 2023 and concluded that the provision of these services did not compromise their independence and objectivity. In addition, the ARC had received written confirmation from the external auditors that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</p> <p>The Board had on 19 April 2022 reviewed the External Auditors' Assessment Policy. The said policy outlining the policies and procedures in assessing the suitability, objectivity and independence of the external auditors and also to governing circumstances for contracts of non-audit services to be entered with external auditors.</p> <p>Guided by its Terms of Reference, the ARC had on 27 February 2024 undertaken an assessment on the suitability, effectiveness and independence of the external auditors, PricewaterhouseCoopers PLT ("PwC") for the FY 2023.</p> <p>PwC had also furnished to the ARC its Transparency Report 2023 on 25 April 2024. Based on the assessment results, the ARC was satisfied with</p>

	the suitability of PwC. Based on the ARC's recommendation and having regard to the outcome of the annual assessment of the external auditors, the Board had agreed that the re-appointment of PwC as external auditors of the Company be recommended to the shareholders for approval at the forthcoming 10 th AGM of the Company.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The ARC comprises three members, all of whom are Independent Non-Executive Directors.

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The ARC is chaired by Mr Low Han Kee. He qualified as a Certified Public Accountant in 1984. He has more than 34 years of financial expertise covering audit as well as senior finance positions and management positions in Malaysian public listed companies.</p> <p>Ms Chu Nyet Kim is a member of the Association of Chartered Certified Accountants and a member of the Malaysian Institute of Accountants. She has garnered vast experience in the field of taxation, finance and accounting functions.</p> <p>Ms Goh Wen Ling is a lawyer by profession and has various experiences in the legal industry encompassing direct real estate acquisitions and divestments, retail banking and etc.</p> <p>The members of the ARC, collectively, have a wide range of relevant skills, knowledge and industry experience. They are capable of providing sound advice to the Board not only in terms of financial reporting but also on internal audit, taxation and the state of the Group's risk and internal control environment.</p> <p>The members of the ARC continuously apply critical and probing view on the Company's financial reporting process, transactions and other financial information, and effectively challenge Management's assertions on the Company's financials during the ARC meeting.</p> <p>Apart from continuous training attended by each Director, the ARC receives periodic updates on new accounting standards from the Company's external auditors and corporate governance updates from the Company Secretaries. The continuous trainings and updates will enable them to sustain their active participation in discharging their duties as ARC.</p>

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

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges the overall responsibilities for the risk management and internal control system within the Group and is focussing on setting and enhancing the procedures and culture towards their effectiveness. The overall risks cover operational risks, financial risks, regulatory and compliance control. The ARC has been entrusted to assist the Board in discharging its roles and responsibilities to oversee the effectiveness of risk management and internal control systems, and also to advise the Board on the principal risks facing the business including those that would threaten its solvency or liquidity.</p> <p>The Board has established an Enterprise Risk Management framework which proactively identifies, evaluates and manages key risks of the Group.</p> <p>The Group’s internal audit function, which reports directly to the ARC, is outsourced to a professional firm. The review of the Group’s risk management and internal control is an on-going process, designed to manage risks rather than to eliminate the risk of failure to achieve business objectives.</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 Board, assisted by ARC, reviews risk management and internal control issues identified by the internal and external auditors. The ARC also monitors and assesses the risk appetite and risk tolerance of the Group, so as to safeguard the shareholders’ investment and the Group’s assets.</p> <p>The key features of the Group’s risk management and internal control framework as well as their adequacy and effectiveness are disclosed in the Statement on Risk Management and Internal Control (“SORMIC”) of the Company’s 2023 Annual Report.</p> <p>The SORMIC also outlines the differentiated roles and functions of those entrusted with maintaining risk management and internal control systems. Measures being put in place to manage and mitigate risks are also articulated in the SORMIC. The Board is of the view that the Group’s system of risk management and internal control is effective and adequate to safeguard shareholders’ investments and the Group’s assets.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application :	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 ARC is responsible for monitoring and reviewing the effectiveness of the internal audit function. The internal audit function of the Group is outsourced to KPMG Management & Risk Consulting Sdn Bhd.</p> <p>The Internal Auditors report independently and directly to the ARC. Its role is to provide independent assurance on the adequacy and the effectiveness of the risk management, internal control and governance process of the Group. The scope of internal audit is decided and agreed upon with the ARC based on the material impact of a detailed Enterprise Risk Management review of the major subsidiaries including (but not limited to) financial and operational areas. After the audit, an internal audit report summarising the audit findings, recommendations for improvements and Management's responses to the findings and recommendations were tabled to the ARC at the quarterly ARC meetings. The Internal Auditors will perform follow-up audits subsequently to ensure that corrective actions had been implemented.</p> <p>In addition, the ARC meets with the Internal Auditors at least once a year without the presence of Management. The Internal Auditors have unfettered access to the ARC, the Board and Management as well as the Group's documents, records and personnel.</p> <p>The ARC also reviews the adequacy of the scope, competency, experience and resources of the internal audit function annually and access whether it has the necessary authority and resources to carry out its 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	:		
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Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>The internal audit function of the Group is outsourced to an independent professional firm, KPMG Management & Risk Consulting Sdn Bhd, headed by the Engagement Executive Director, Mr Darren Lee Siet Loon (“Darren Lee”), who is a Chartered Accountant, The Malaysian Institute of Accountants; a Certified Internal Auditor and Chartered Member, The Institute of Internal Auditors Inc. Darren Lee has over 16 years of experience in professional services and, in particular, enterprise risk management, internal audit, assessment of governance structure and internal controls for various government and public-listed companies.</p> <p>The number of staff deployed for the internal audit review is ranging from 5 to 6 staff per visit including the Engagement Director. The staff involved in the internal audit review possess professional qualifications and/or university degree. The internal audit personnel from KPMG Management & Risk Consulting Sdn Bhd are free from any relationships or conflicts of interest, which could impair their objectivity and independence.</p> <p>The disclosures are set out in various sections of the Corporate Governance Overview Statement, Statement on Risk Management and Internal Control, and Audit and Risk Committee Report of the 2023 Annual Report.</p> <p>The internal audit function is carried out in accordance with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges the importance of providing regular, effective and transparent communication with the Company's stakeholders to strengthen their confidence and trust. The Board is also steadfast in ensuring that all communications to the investing public regarding the business operations and financial performance of the Group are made in a timely, accurate, unswerving and informative manner. In an effort to maintain the level of credibility and governance, the following channels have been used by the Board to disseminate information and communicate to the key internal and external stakeholders, including but not limited to investor relations activities:</p> <p>Investor Relations</p> <p>The Group maintains its communication channel with shareholders, investors and the investment community, both in Malaysia and internationally, via its dedicated Investor Relations (IR) function. The Board has designated the Group Chairman, Group CEO and Group CFO as the spokespersons for the Group and to manage the dissemination of information to stakeholders, including shareholders and potential investors. The Board believes internal resources understand the Company better and serves to meet the expectation of the wide range of stakeholders with informative and accurate information that will help the investment community to develop a comprehensive understanding of the Company's strategies, financial results and corporate developments. Earnings briefing for financial analysts is held periodically after the announcement of the Company's quarterly results through Bursa LINK to provide financial analysts with better insights into the Company. The Company had adopted an Investor Relations Policy on 26 November 2019 and reviewed it on 18 April 2023. It is available at the Company's website.</p> <p>Website</p> <p>The Company ensures that its website is regularly updated with current and relevant information to provide up-to-date information on the business, strategic development, corporate governance, sustainability initiatives and financial information of the Group. A variety of online and offline contact options (email, online feedback form, general and</p>

	<p>media enquiries) are provided to facilitate the public’s engagement with the Group in their preferred manner.</p> <p>Annual Report The Annual Report serves as a major channel of communication on the Group’s financial performance, business activities and other key developments such as operational updates and challenges. The Board places great importance on the content of the Annual Report to ensure the accuracy of the information as the Annual Report is a vital source of information for investors, shareholders and the general public.</p> <p>Bursa Malaysia Securities Berhad The Company releases all announcements via Bursa LINK. The shareholders and the public in general may obtain such announcements and financial information from the website of Bursa Malaysia Securities Berhad.</p> <p>Annual General Meeting AGM serves as a platform for the shareholders and investors to engage directly with the Directors by seeking clarification on the Group’s performance and prospects.</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

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

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

Practice 12.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>The Integrated Reporting process is an on-going journey to improve the quality of information disclosure to stakeholders. The Company takes an incremental approach towards Integrated Reporting and intends to gradually move towards a more integrated approach of reporting from its existing reporting structure.</p> <p>Nonetheless, the Board and Management strive to improve the quality of information to be disclosed to stakeholders and promote greater accountability and transparency. The Company's 2023 Annual Report which contained the Management Discussion and Analysis, Corporate Governance Overview Statement, Statement on Risk Management and Internal Control, Audit and Risk Committee Report, Additional Compliance Information, Sustainability Statement, Value-Creating Business Model, Audited Financial Statements for the FY 2023 have provided a fairly comprehensive overview on the Company's financial and non-financial information.</p>	
		As explained above.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	To be in line with the practice, the Board will continue to move towards a more integrated approach from its existing reporting and will consider the adoption of integrated reporting at an appropriate time in the future based on a globally recognised framework.	
Timeframe	:	Others	On-going

Intended Outcome

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

Practice 13.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The 9th AGM of the Company was conducted fully virtual on 2 June 2023 of which the notice, proxy form and Administrative Guide for the 9th AGM were issued and made available on the Company's website on 28 April 2023, which was more than 28 days before the AGM and well in advance of the 21-day requirement under the Companies Act 2016 and the Listing Requirements. Sufficient notice period was given to the shareholders in order for them to schedule their time to attend the Company's AGM.</p> <p>The Notice of AGM provides detailed explanation for the resolutions proposed along with background information and reports or recommendations that are relevant, where required and necessary, to enable shareholders to make informed decisions when exercising their voting rights.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The 9th AGM was conducted on a fully virtual basis through an online meeting platform. All Directors, Senior Management, Company Secretaries and external auditors of the Company attended the 9th AGM remotely to respond to any financial and operational queries raised by the shareholders and provide clarification or explanation on the proposed resolutions before putting a resolution to vote.</p> <p>The shareholders are encouraged to send questions before the general meetings or alternatively, to pose questions during the 9th AGM via query box facility. All issues and questions raised pertaining to the Company's financial statements and business operations were responded by the Management team and recorded in the minutes of the 9th AGM which were subsequently uploaded to the Company's website.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.3

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 9th AGM was conducted on a fully virtual basis through live streaming and online remote voting via the remote participation and voting (“RPV”) facilities at TIIH Online website at https://tiih.online provided by Tricor Investor & Issuing House Services Sdn Bhd (“Tricor”).</p> <p>With the RPV facilities provided by Tricor, the following measures were implemented to encourage shareholders' attendance and participation and ensure that there will be no meeting interference and all participants' data are kept secure and safe:-</p> <p>(a) Administrative Guide was circulated to the shareholders together with the Notice of 9th AGM as to facilitate remote participation and e-voting;</p> <p>(b) Electronic lodgement of proxy forms was provided by Tricor via TIIH Online website;</p> <p>(c) Electronic submission of questions by shareholders was allowed via TIIH Online prior to the date of meeting or during the meeting;</p> <p>(d) The AGM proceeding was live streamed to TIIH Online for remote participants to watch live; and</p> <p>(e) Tricor had put in place information technology security measures to prevent cyber threats and data breaches.</p> <p>The Company's Constitution allows members to vote by proxy subject to the provision governing appointment and validity of proxies as specified in the Constitution.</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

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 :	Shareholders were given the opportunity to submit questions before the 9 th AGM via TIH Online portal or real time submission of typed text via the RPV facilities provided by Tricor. Sufficient time was allocated to address the questions and suggestions posed by the shareholders. The Minutes of the 9 th AGM together with the responses from the Board and/or the Management team to questions raised by the shareholders were published on the Company's website within 30 business days after the 9 th AGM. Management had also via email provided responses to questions posed by shareholders after the closing of the questions and answers session. Other than the AGM, the shareholders can raise issues or seek explanation from the Board or Management team via the Company's website as and when needed.
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>Prior to the 9th AGM date, a dry run was conducted to ensure that the information technology infrastructure and the RPV facilities were in working order. Visual and audio tests were conducted to ensure that participants at other locations would be able to access the virtual meeting and participate in the 9th AGM without any hinderance. The RPV facilities provided a smooth broadcast, where shareholders have participated remotely in the 9th AGM, cast on all resolutions electronically and engaged with the Company through questions submitted via the RPV facilities.</p> <p>During the 9th AGM, questions posted by the shareholders were compiled and made visible to all meeting participants during the questions and answers session.</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 minutes of the 9 th AGM of the Company held on 2 June 2023 was uploaded to the Company's website on 18 July 2023 (i.e. within 30 business days after the 9 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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