

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 5204  
**COMPANY NAME** : AWANBIRU TECHNOLOGY BERHAD (formerly known as Prestariang Berhad)  
**FINANCIAL YEAR** : June 30, 2021

## 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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board of Directors (the "<b>Board</b>") remains resolute in maintaining its obligations in keeping the shareholders' and stakeholders' interests as the cardinal rule whilst the Group conducts its business.</p> <p>Currently, AwanBiru Technology Berhad (formerly known as Prestariang Berhad) (the "<b>Company</b>") is led and controlled by an effective Board comprises of ten (10) members that are drawn from various professional backgrounds; bringing depth and diversity in experience, expertise and perspectives to the Company's business operations.</p> <p>The Board is active in developing and implementing the Company's strategies as well as monitoring the Company's performance. Additionally, the Board also periodically reviews the Board's strategies in order to ensure that the Company progresses towards achieving its objectives and goals while adapting to rapid changes in the environments and market conditions.</p> <p>The Board's roles are stipulated in the Board Charter of the Company and also adopted a schedule of matters specifically reserved for its approval subject to review from time to time.</p> <p>The Board has delegated specific powers to relevant Board Committees to assist in the execution of its responsibilities: -</p> <ul style="list-style-type: none"><li>• Audit Committee ("<b>AC</b>");</li><li>• Risk Management Committee ("<b>RMC</b>");</li><li>• Nomination Committee ("<b>NC</b>");</li><li>• Remuneration Committee ("<b>RC</b>"); and</li><li>• Long-Term Incentive Plan Committee.</li></ul> <p>The Board will link the Company's governance and management's functions through the Chairman together with the President/Group</p>

	<p>Chief Executive Officer (“GCEO”). All Board authority conferred on management is delegated through the President/GCEO so that the authority and accountability of management is considered to be the authority and accountability of the President/GCEO so far as the Board is concerned.</p> <p>The Terms of Reference of the Board Committees are available on the Company’s website at <a href="http://www.awantec.my">www.awantec.my</a>.</p> <p>The Chairman keeps under review, informally, the contributions made by Board members. The NC is given the task to review annually the activities and effectiveness of the Board and the Board members. The Chairman of the NC oversees the overall evaluation process. The NC is required to report annually an assessment of the Board's and its Committees' performance. The assessment report together with the report on the Board balance (the required mix of skills and experience and other qualities) will be discussed with the Board members. This exercise is carried out after the end of each financial year, or such other time as may be deemed appropriate. In addition to the above annual assessments, the performance of the Group Chief Executive Officer and the Chief Operating Officer (“COO”) is assessed based on the Key Performance Indicators approved by the Board.</p>	
<p><b>Explanation for departure</b></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><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

## Intended Outcome

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

## Practice 1.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Syed Naqiz Shahabuddin bin Syed Abdul Jabbar (“<b>Encik Syed Naqiz</b>”) was appointed as an Independent Non-Executive Chairman of the Company on 20 January 2021. He replaced Mr. Paul Chan Wan Siew (“<b>Mr. Paul Chan</b>”), who acted as the interim chairman in the previous financial year. This is to be in line with the Malaysian Code on Corporate Governance (“<b>MCCG</b>”) as Mr. Paul Chan also serves as the Chairman for the AC.</p> <p>Encik Syed Naqiz assumes the role and act in accordance with the Board Charter by providing leadership for the Board to ensure that all Directors receive sufficient and relevant information on financial and non-financial matters to enable them to participate actively in Board decisions.</p> <p>The key roles and responsibilities of the Chairman are further elaborated in the Board Charter, which can be accessed at <a href="http://www.awantec.my">www.awantec.my</a>.</p> <p>The leadership of the Chairman was acknowledged by the good ratings received via the self and Board performance evaluation for the financial year ended 30 June 2021.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Encik Syed Naqiz is the Independent Non-Executive Chairman while Dr. Abu Hasan bin Ismail ("<b>Dr. Abu</b>") is the President/GCEO of the Company.</p> <p>The roles of the Chairman and the President/GCEO are segregated and clearly defined by their individual position descriptions.</p> <p>The roles of both the Chairman and President/GCEO are defined in the Board Charter which is available on the Company's website at <a href="http://www.awantec.my">www.awantec.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Ms. Chua Siew Chuan and Mr. Lim Lih Chau are the Company Secretaries of the Company.</p> <p>The Board members have ready and unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Company Secretaries advise the Board on the Company's Constitution, Board's policies and procedure and compliance with the relevant regulatory requirements, codes or guidance and legislations (or any amendments thereto).</p> <p>The Board is regularly updated and apprised by the Company Secretaries who are experienced, competent and knowledgeable, on the laws and regulations, as well as directives issued by the regulatory authorities. The Company Secretaries brief the Board on proposed contents and timing of material announcements to be made to Bursa Malaysia Securities Berhad ("<b>Bursa Malaysia</b>"). The Company Secretaries also serve notice to the Directors and Principal Officers to notify them of closed periods for trading in the Company's shares, and timely communication of decisions made and in accordance with the black-out periods for dealing in the Company's securities pursuant to Chapter 14 the Bursa Malaysia Main Market Listing Requirements ("<b>MMLR</b>").</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company Secretaries attend and ensure that all Board meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained in the statutory books kept at the registered office of the Company. The Company Secretaries also facilitate timely communication of decisions made and policies set by the Board at Board meetings, to the Senior Management for action. The Company Secretaries work closely with Management to ensure that there are timely and appropriate information flows within and to the Board and Board Committees, and between the Non-Executive Directors and Management.</p> <p>All members of the Board are supplied with information in a timely manner. Board reports and papers are circulated in advance prior to Board meetings to enable Directors to obtain further information and explanations, where required, before the meetings. Minutes of meetings, which accurately reflect the deliberation and decisions of the Board are also circulated within a reasonable period of time upon conclusion of each meeting. Matters that require further action by the Management would stay as matters arising in the Minutes of meetings until it is resolved.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board Charter of the Company which document the roles of the Board and policies that the Board has decided upon to meet, among others, its responsibilities, governance and leadership.</p> <p>This is to ensure that all Board members are aware of their fiduciary duties and responsibilities to safeguard the interest of all stakeholders and upholding the highest standards of corporate governance.</p> <p>Matters that are reserved for collective decision of the Board or its committees are included in the Appendix A of the Board Charter. The Board shall ensure that the Board Charter be kept under review from time to time, but at least once every three years to ensure its consistency with the Board's objectives and responsibilities.</p> <p>The Board Charter was last revised and adopted by the Board on 5 July 2021.</p> <p>A copy of the Board Charter is available on the Company's website at <a href="http://www.awantec.my">www.awantec.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### 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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Directors' Code of Ethics describes the ethical and professional standards of corporate and individual behaviour expected of the Board.</p> <p>The Directors are required from time to time to declare their direct and indirect interests in the Company and related companies. It is also the Directors' responsibility to declare to the Board whether they and any person(s) connected to them have any potential or actual conflict of interest in any transaction or in any contract or proposed contract with the Company or any of its related companies. Any Director and/or person(s) connected to him who has an interest in any related party transaction shall abstain from voting and involve in the Board's deliberation on the resolution of which they have interest.</p> <p>The Code of Conduct and Ethics for Directors was last reviewed and adopted by the Board on 5 July 2021.</p> <p>The Company also has in place Code of Conduct for employees of the Group that contains guidance on employees' conduct when dealing with other parties in carrying out duties for the Company and how employees should conduct themselves at or outside the workplace where they can be identified as employees.</p> <p>Following the passing of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 and amendments to Paragraph 15.29 of the Bursa Malaysia MMLR which taken effect from 1 June 2020, the Company has established and incorporated into the Company's Anti-Bribery and Corruption Guidelines to provide a procedure to ensure that the Company, employees, Directors, its Subsidiaries, contractors, subcontractors, consultants, agents and representatives conducts its business in an honest and ethical manner reflecting the highest standards of integrity and in compliance with all relevant laws and regulations applicable to it and in compliance with the relevant legislations.</p>

	Copies of all the policies mentioned above can be found at <a href="http://www.awantec.my">www.awantec.my</a> .	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied								
<b>Explanation on application of the practice</b>	:	<p>In order to uphold the integrity of the Company in conducting its business, the Company continues to implement the approved Whistleblowing Policy which aims to establish a robust, transparent, and accountable communication channel for legitimate concerns to be objectively investigated and addressed. Through the Whistleblowing channel, individuals will be able to raise concerns about illegal, unethical or questionable practices in confidence and without the risk of reprisal.</p> <p>This policy shall be reviewed periodically by the Board in accordance with the needs of the Company from time to time or when changes to regulatory requirements necessitate a revision, but at least once every three years and it was last reviewed and adopted by the Board on 5 July 2021.</p> <p>Any disclosure can be made to any of the following dedicated reporting channels:</p> <table border="1"><thead><tr><th>Reporting Mode</th><th>Contact Details</th></tr></thead><tbody><tr><td>Letter</td><td>Block 12, Star Central, Lingkaran Cyber Point Timur, 63000 Cyberjaya, Selangor Attention: Whistleblowing Committee</td></tr><tr><td>Online Submission</td><td>Whistleblowing Form</td></tr><tr><td>Electronic mail</td><td><a href="mailto:whistleblowing@awantec.my">whistleblowing@awantec.my</a></td></tr></tbody></table> <p>A copy of the Whistleblowing Policy is available on the Company's website at <a href="http://www.awantec.my">www.awantec.my</a>.</p>	Reporting Mode	Contact Details	Letter	Block 12, Star Central, Lingkaran Cyber Point Timur, 63000 Cyberjaya, Selangor Attention: Whistleblowing Committee	Online Submission	Whistleblowing Form	Electronic mail	<a href="mailto:whistleblowing@awantec.my">whistleblowing@awantec.my</a>
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<b>Explanation for departure</b>	:									

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<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

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

### Practice 4.1

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

<b>Application</b>	:	Applied												
<b>Explanation on application of the practice</b>	:	<p>As at the end of financial year under review 30 June 2021, the Board consisted of ten (10) members, out of which 10% comprising of Senior Independent Non-Executive Director and 70% Independent Non-Executive Director. The Board composition was as follows: -</p> <table border="1"> <thead> <tr> <th>Designation</th> <th>Number of Directors</th> <th>Percentage (%)</th> </tr> </thead> <tbody> <tr> <td>Senior Independent Non-Executive Director (“SINED”)</td> <td>1</td> <td>10%</td> </tr> <tr> <td>Independent Non-Executive Director (“INED”)</td> <td>7</td> <td>70%</td> </tr> <tr> <td>Non-Independent Executive Director (“NIED”)</td> <td>2</td> <td>20%</td> </tr> </tbody> </table> <p>All the seven (7) INED and one (1) SINED satisfy the definition of independence as prescribed in Paragraph 1.01 of the Bursa Malaysia MMLR. They constitute 80% of the Board, which comprises majority of the Board, notwithstanding the Company is not classified as a “Large Company”.</p> <p>Through the recommendation of the NC, the Board is satisfied with the level of independence demonstrated by all the Independent Non-Executive Directors and their ability to act in the best interests of the Company.</p> <p>The roles of SINED, INED and NIED are elaborated in the Board Charter and this is made available on the Company’s website at <a href="http://www.awantec.my">www.awantec.my</a>.</p>	Designation	Number of Directors	Percentage (%)	Senior Independent Non-Executive Director (“SINED”)	1	10%	Independent Non-Executive Director (“INED”)	7	70%	Non-Independent Executive Director (“NIED”)	2	20%
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<b>Explanation for departure</b>	:													
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>														

<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

## Practice 4.2

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 justify and seek annual shareholders' approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.

<b>Application</b>	:	Applied - Annual shareholders' approval for independent directors serving beyond 9 years
<b>Explanation on application of the practice</b>	:	<p>At the time of writing this Corporate Governance Report, the tenure of the Senior Independent Non-Executive Director of the Company namely, Mr. Paul Chan is eleven (11) years, which has exceeded the cumulative term limit of nine (9) years at the forthcoming Annual General Meeting ("<b>AGM</b>"). Both the NC and the Board have assessed the independence of Mr. Paul Chan and were satisfied with the skills performed as well as the independent judgement that he brought to the Board. In view thereof, the Board recommends and supports his retention as an Independent Director of the Company which is tabled for the shareholders' approval at the forthcoming AGM based on the following justifications: -</p> <ul style="list-style-type: none"><li>(a) Mr. Paul Chan has met the independence guidelines as set out in Paragraph 1.01 of the Bursa Malaysia MMLR;</li><li>(b) He has not been entering nor is expected to enter into transaction(s) especially material contract(s) with the Company and its subsidiaries (the "<b>Group</b>") and/or the Company which would cause any conflict of interest with the Group and/or the Company;</li><li>(c) He does not have any relationship which would interfere his independent judgement in carrying out his function as an Independent Director; and</li><li>(d) He is familiar with the Group's activities and is able to provide tremendous insight to facilitate the decision-making processes of the Group.</li></ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		



**Intended Outcome**

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

**Practice 4.3 - Step Up**

The board has a policy which limits the tenure of its independent directors to nine years.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

### Intended Outcome

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

### Practice 4.4

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The current Board consists of Directors from diverse background and qualifications, collectively bring with them a wide range of experience and expertise in areas (but not limited to) as follows:</p> <ul style="list-style-type: none"><li>• accounting and auditing</li><li>• taxation</li><li>• finance</li><li>• legal</li><li>• economics</li><li>• international business</li><li>• business operations</li><li>• information technology</li><li>• investment</li></ul> <p>During the financial year under review 30 June 2021, the Board welcomed the appointment of Encik Syed Naqiz, Dato' Tharuma Rajah @ K.T. Rajan A/L R. Krishnan, and YM Tunku Abang Faisal Amir bin Abang Abu Bakar as the new Independent Non-Executive Directors of the Company. The Board shall comprise a majority of independent directors at all times, and this is stipulated in the Board Charter of the Company.</p> <p>The Company believes that the Board should be well balanced with qualified individuals with diverse experience, character, integrity, competency and are able to effectively discharge their responsibilities and duties legally under the various law, regulations, and rules as company director.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 4.5

The board discloses in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>On boardroom diversity, the Board is supportive of the boardroom gender diversity recommended by the Malaysian Code on Corporate Governance and has adopted a Diversity Policy which is made available on the Company's website at <a href="http://www.awantec.my">www.awantec.my</a>.</p> <p>However, the Board currently consists of two (2) female directors which does not fulfil the recommendation of at least 30% women participation notwithstanding the Company is not classified as "Large Company".</p> <p>The President/GCEO and the relevant Board committees will spend a significant amount of time and effort evaluating key potential candidates, including by maintaining a compilation of potential candidates organized by strategic skill set. The Company is particularly focused on identifying individuals whose skills and experiences will contribute to the shaping of the Company's business strategy with diverse and balanced perspectives to the organization. The Company subscribes to diversity in terms of experience, capability, nationality, ethnicity and gender.</p> <p>The Board will, from time to time, review its composition and size to ensure it fairly reflects the investments of the shareholders of the Company while at the same time having due regard for diversity in skills, experience, age, cultural background and gender.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 4.6

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>When making recommendations regarding the appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board, the NC consider a variety of factors in assessing the suitability of the proposed candidate.</p> <p>The NC also undertake adequate due diligence on the candidates before making recommendations to the Board for consideration and approval.</p> <p>Additionally, the NC does not solely rely on recommendations from existing board members, management or major shareholders. The Company has set the consideration of other variety of approaches and independent sources to identify suitable candidates for appointment of Directors as one of the key priorities to consider.</p> <p>The roles and responsibilities of the NC are as prescribed in the Terms of Reference for NC and is made available on the Company's website at <a href="http://www.awantec.my">www.awantec.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 4.7

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	Professor Emeritus Dato' Dr. Hassan bin Said (" <b>Prof. Hassan</b> "), the Independent Non-Executive Director of the Company, is presently the Chairman of the NC of the Company.  His responsibilities and duties as a member of the NC are disclosed in the Terms of Reference of the NC.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 5.1

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 and its outcome.

For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NC carried out the following annual assessments to determine the effectiveness of the Board, Board Committees and each individual director for the financial year ended 30 June 2021: -</p> <ul style="list-style-type: none"> <li>(a) Board performance evaluation;</li> <li>(b) Self-performance evaluation;</li> <li>(c) AC Member's Self/Peer Evaluation;</li> <li>(d) AC Evaluation; and</li> <li>(e) Assessment of Independent Directors.</li> </ul> <p>Directors and Board Committees provided anonymous feedback on their peers' performance and individual performance contribution to the Board and respective Committees.</p> <p>The results were then collated by the Company Secretaries and tabled to the NC for deliberation. Each Director was provided feedback on their contribution to the Board and its Committees. The review supported the Board's decision to endorse all retiring Directors standing for election. The assessment report together with the report on the Board balance (the required mix of skills, experience and other qualities) are discussed and circulated to the Board. The results affirmed that the Board and each of its Committees continue to operate effectively.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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 6.1**

The board has in place policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The policies and procedures are periodically reviewed and made available on the company’s website.

<p><b>Application</b></p>	<p>: Applied</p>
<p><b>Explanation on application of the practice</b></p>	<p>: The Company has in place a remuneration policy for the Directors and key senior management personnel which takes into account the demands, complexities, and performance of the Group as well as skills and experience required.</p> <p>A copy of the remuneration policy which discloses high level principles and a detailed process for setting remuneration is available in the Company’s website at <a href="http://www.awantec.my">www.awantec.my</a>.</p> <p>The remuneration of senior management is determined at Board level and does not require shareholders’ approval.</p> <p>The Executive Director and senior management receive a competitive remuneration package consisting of the following components:</p> <div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;"> <p><b>Fixed</b></p> <p>Linked to job scope, responsibility and accountability</p> <p>Base Salary + Fixed Benefits</p> </div> <div style="text-align: center;"> <p><b>Variable</b></p> <p>Linked to individual KPI performance</p> <div style="display: flex; justify-content: space-between;"> <div style="text-align: center;"> <p><b>Short Term Incentives</b></p> <p>Bonus + Cash Incentive</p> </div> <div style="text-align: center;"> <p><b>Long Term Incentives</b></p> <p>Shares Option Career enhancement</p> </div> </div> </div> </div> <p>The long-term variable components through shares option and career enhancement within the Group of Companies aims to attract, motivate, retain and reward key employee of requisite quality that increases productivity and profitability of the Group in the long run.</p>



	<p>Under the Remuneration Policy, claw-back or malus provision exists whereby if it is proved after the grant of variable components to members of the Executive Director and Senior Management that the bonus and cash incentives were paid erroneously, the Company may in exceptional cases reclaim in full or in part variable components.</p> <p>Variable pay awards may be made subject to adjustment events. At the discretion of RC, such an award may be adjusted before delivery (malus) or reclaimed after delivery (clawback) if an adjustment event occurs.</p> <p>Fees of the Non-Executive Directors and benefits payable to Directors are tabled to the shareholders for approval on an annual basis via the annual general meeting of the Company.</p>	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### 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 6.2

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The RC is made up wholly of four (4) Independent Non-Executive Director and is presently chaired by Prof. Hassan.</p> <p>A copy of the Terms of Reference of the RC is available on the Company's website at <a href="http://www.awantec.my">www.awantec.my</a>.</p> <p>The summary of activities of the RC during the financial year under review are as follows: -</p> <ul style="list-style-type: none"><li>• Reviewed and recommended to the Board on the proposed Directors' fees for the financial year ended 30 June 2020;</li><li>• Reviewed and recommended to the Board on the proposed Directors' fees for the financial year ended 30 June 2021;</li><li>• Reviewed and recommended to the Board on the proposed Directors' benefits from 26 November 2020 until the next AGM of the Company;</li><li>• Reviewed and recommended to the Board on the remuneration package for Puan Hafiza Anom Binti Abdul Hamid as the Chief Business Officer for Technology Division of the Company;</li><li>• Reviewed and recommended to the Board on the remuneration package for Puan Ainun Mardziah Binti Hashim as Group Financial Controller of the Company;</li><li>• Reviewed and recommended to the Board on the key performance indicators for the year 2021 of the President/GCEO and C-Suite level officers.</li></ul> <p>The RC from time to time has evaluated the compensation and remuneration packages for the Non-Executive Directors guided by the market rates and benchmarking of similar companies based on the market capitalization and industry whilst taking into consideration Board members' required experiences, competencies, efforts and the</p>

	<p>scope of the Board’s works, including the number of meetings. The directors’ remuneration is further determined at levels which would continue to attract and retain high calibre directors.</p> <p>The Executive Directors do not receive any remuneration for directorships held in the Company and its subsidiaries, while Non-Executive Directors receive remuneration package consisting of the following components:</p> <table border="1" data-bbox="560 510 1406 770"> <thead> <tr> <th data-bbox="560 510 983 551">Fixed</th> <th data-bbox="983 510 1406 551">Variable</th> </tr> </thead> <tbody> <tr> <td data-bbox="560 551 983 770"> <ul style="list-style-type: none"> <li>• Board Fee</li> <li>• Committee Fee</li> <li>• Benefits <ul style="list-style-type: none"> <li>○ Directors and Officers Liability Insurance</li> <li>○ Benefits-in-kind</li> </ul> </li> </ul> </td> <td data-bbox="983 551 1406 770"> <ul style="list-style-type: none"> <li>• Meeting Allowance</li> <li>• Other Emoluments</li> </ul> </td> </tr> </tbody> </table> <p>The Board, as a whole, determines the remuneration of Non-Executive Directors, with each Director concerned abstaining from any decision with regards to his/her remuneration. The Company pays its Directors the fees will be voted for approval by the shareholders annually during the Annual General Meeting. It was agreed that the following resolutions in relation to remuneration shall be tabled at the forthcoming Annual General Meeting for the shareholders’ approval: -</p> <ul style="list-style-type: none"> <li>• Additional payment of Directors’ fees amounting to RM44,129.00 which was in excess of the earlier approved amount of RM450,000.00 for the financial year ended 30 June 2021.</li> <li>• Additional payment of Directors’ benefits up to an amount of RM50,000.00 which was in excess of the earlier approved amount of RM153,000.00 from 26 November 2020 until the conclusion of the next Annual General Meeting of the Company to be held in year 2021.</li> <li>• Directors’ fees up to an amount of RM996,000.00 for the period from 1 July 2021 until the next Annual General Meeting of the Company to be held in year 2022.</li> <li>• Directors’ benefits up to an amount of RM242,200.00 from 25 November 2021 until the next Annual General Meeting of the Company to be held in year 2022.</li> </ul>	Fixed	Variable	<ul style="list-style-type: none"> <li>• Board Fee</li> <li>• Committee Fee</li> <li>• Benefits <ul style="list-style-type: none"> <li>○ Directors and Officers Liability Insurance</li> <li>○ Benefits-in-kind</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Meeting Allowance</li> <li>• Other Emoluments</li> </ul>
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<p><b>Explanation for departure</b> :</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><b>Measure</b> :</p>					

<b>Timeframe</b>	:		
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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 7.1

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.

<b>Application</b>	Applied																																																																																																										
<b>Explanation on application of the practice</b>	<p><b>Disclosure on Directors' Remuneration</b>  Details of the remuneration received by the Directors for the FYE 30 June 2021 were as follows:-</p> <p>A. Received from AWANTEC</p> <table border="1"> <thead> <tr> <th></th> <th>Directors' Fee (RM)</th> <th>Salary (RM)</th> <th>Bonus (RM)</th> <th>Statutory Contribution (RM)</th> <th>Benefit-In-Kind (RM)</th> <th>Other Emoluments (RM)</th> <th>*ESOS Expenses (RM)</th> <th>Total (RM)</th> </tr> </thead> <tbody> <tr> <td><b>COMPANY</b></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td><b>Non-Executive Directors</b></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Syed Naqiz Shahabuddin bin Syed Abdul Jabbar (Appointed w.e.f 20 January 2021)</td> <td>39,484</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>3,600</td> <td>-</td> <td>43,084</td> </tr> <tr> <td>Paul Chan Wan Siew</td> <td>87,000</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>45,600</td> <td>24,849</td> <td>157,449</td> </tr> <tr> <td>Ramanathan a/l Sathiamutty</td> <td>66,000</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>44,400</td> <td>-</td> <td>110,400</td> </tr> <tr> <td>Ginny Yeow Mei Ying</td> <td>66,000</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>19,200</td> <td>4,609</td> <td>89,809</td> </tr> <tr> <td>Professor Emeritus Dato' Dr. Hassan bin Said</td> <td>66,000</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>43,200</td> <td>2,575</td> <td>111,775</td> </tr> <tr> <td>Hafidah Aman binti Hashim</td> <td>66,000</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>38,400</td> <td>2,575</td> <td>106,975</td> </tr> <tr> <td>YM Tunku Abang Faisal Amir bin Abang Abu Bakar (Appointed w.e.f 20 January 2021)</td> <td>26,323</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>3,600</td> <td>-</td> <td>29,923</td> </tr> <tr> <td>Dato' Tharuma Rajah @ K.T. Rajan a/l R.</td> <td>26,323</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>3,600</td> <td>-</td> <td>29,923</td> </tr> </tbody> </table>									Directors' Fee (RM)	Salary (RM)	Bonus (RM)	Statutory Contribution (RM)	Benefit-In-Kind (RM)	Other Emoluments (RM)	*ESOS Expenses (RM)	Total (RM)	<b>COMPANY</b>									<b>Non-Executive Directors</b>									Syed Naqiz Shahabuddin bin Syed Abdul Jabbar (Appointed w.e.f 20 January 2021)	39,484	-	-	-	-	3,600	-	43,084	Paul Chan Wan Siew	87,000	-	-	-	-	45,600	24,849	157,449	Ramanathan a/l Sathiamutty	66,000	-	-	-	-	44,400	-	110,400	Ginny Yeow Mei Ying	66,000	-	-	-	-	19,200	4,609	89,809	Professor Emeritus Dato' Dr. Hassan bin Said	66,000	-	-	-	-	43,200	2,575	111,775	Hafidah Aman binti Hashim	66,000	-	-	-	-	38,400	2,575	106,975	YM Tunku Abang Faisal Amir bin Abang Abu Bakar (Appointed w.e.f 20 January 2021)	26,323	-	-	-	-	3,600	-	29,923	Dato' Tharuma Rajah @ K.T. Rajan a/l R.	26,323	-	-	-	-	3,600	-	29,923
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Krishnan (Appointed w.e.f 20 January 2021)								
<b>Subtotal</b>	<b>443,130</b>	-	-	-	-	<b>201,600</b>	<b>34,608</b>	<b>679,338</b>
<b>Executive Director</b>								
Dr. Abu Hasan bin Ismail	-	480,000	-	72,593	50,000	120,000	-	<b>722,593</b>
Baldesh Singh a/l Manmohan Singh	-	360,000	-	51,317	-	59,400	64,452	<b>535,169</b>
<b>Subtotal</b>	-	<b>840,000</b>	-	<b>123,910</b>	<b>50,000</b>	<b>179,400</b>	<b>64,452</b>	<b>1,257,762</b>
<b>Total</b>	<b>443,130</b>	<b>840,000</b>	-	<b>123,910</b>	<b>50,000</b>	<b>381,000</b>	<b>99,060</b>	<b>1,937,100</b>

\* Note: The value of shares is based on valuation used for MFRS 2 Accounting. No actual payment(s) is incurred.

#### B. Received from the Group

	Directors' Fee (RM)	Salary (RM)	Bonus (RM)	EPF Contribution (RM)	Benefit-In-Kind (RM)	Other Emoluments (RM)	Total (RM)
<b>GROUP</b>							
<b>Non- Executive Directors</b>							
Professor Emeritus Dato' Dr. Hassan bin Said (Resigned as director of PESB w.e.f. 16 November 2020)	13,000	-	-	-	-	-	<b>13,000</b>
<b>Subtotal</b>	<b>13,000</b>	-	-	-	-	-	<b>13,000</b>
<b>Total</b>	<b>13,000</b>	-	-	-	-	-	<b>13,000</b>

Note: The above is in relation to Serba Dinamik Education Sdn. Bhd. (formerly known as Prestariang Education Sdn. Bhd.) ("PESB") in which the disposal was completed on 16 November 2020 pursuant to a Share Sale Agreement dated 25 February 2020.

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

## 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 7.2

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.

<b>Application</b> :	Applied																																																														
<b>Explanation on application of the practice</b> :	The Company moved beyond Practice 7.2 to disclose in detail the remuneration of the top five senior management instead merely disclosing in bands of RM50,000. Following shows the detailed remuneration of the existing top five key senior management (excluding the President/GCEO and COO which remuneration were disclosed under Practice 7.1) during the financial year ended 30 June 2021:-																																																														
	<table border="1"> <thead> <tr> <th>Name</th> <th>Salary (RM)</th> <th>Bonus (RM)</th> <th>EPF Contribution (RM)</th> <th>Benefit- In-Kind (RM)</th> <th>Other Emoluments (RM)</th> <th>Total (RM)</th> </tr> </thead> <tbody> <tr> <td>Hafiza Anom binti Abdul Hamid</td> <td>254,933.33</td> <td>-</td> <td>30,600.00</td> <td>-</td> <td>-</td> <td><b>285,533.33</b></td> </tr> <tr> <td>Chok Joon Heng</td> <td>336,240.00</td> <td>-</td> <td>45,420.00</td> <td>-</td> <td>42,000.00</td> <td><b>423,660.00</b></td> </tr> <tr> <td>Yasmin binti Abdullah</td> <td>264,000.00</td> <td>-</td> <td>37,440.00</td> <td>-</td> <td>48,000.00</td> <td><b>349,440.00</b></td> </tr> <tr> <td>Dr. Peter Lee Fuei Siong</td> <td>300,384.62</td> <td>-</td> <td>41,052.00</td> <td>-</td> <td>41,650.09</td> <td><b>383,086.71</b></td> </tr> <tr> <td>Ainun Mardziah binti Hashim <i>(Appointed as Group Financial Controller w.e.f 3 May 2021)</i></td> <td>46,451.61</td> <td>-</td> <td>5,580.00</td> <td>-</td> <td>-</td> <td><b>52,031.61</b></td> </tr> <tr> <td>Abdul Rahim bin Awang <i>(Resigned as Chief Financial Officer w.e.f. 13 March 2021)</i></td> <td>280,161.29</td> <td>-</td> <td>37,668.00</td> <td>-</td> <td>33,677.39</td> <td><b>351,506.68</b></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td><b>TOTAL</b></td> <td><b>1,845,258.33</b></td> </tr> </tbody> </table>							Name	Salary (RM)	Bonus (RM)	EPF Contribution (RM)	Benefit- In-Kind (RM)	Other Emoluments (RM)	Total (RM)	Hafiza Anom binti Abdul Hamid	254,933.33	-	30,600.00	-	-	<b>285,533.33</b>	Chok Joon Heng	336,240.00	-	45,420.00	-	42,000.00	<b>423,660.00</b>	Yasmin binti Abdullah	264,000.00	-	37,440.00	-	48,000.00	<b>349,440.00</b>	Dr. Peter Lee Fuei Siong	300,384.62	-	41,052.00	-	41,650.09	<b>383,086.71</b>	Ainun Mardziah binti Hashim <i>(Appointed as Group Financial Controller w.e.f 3 May 2021)</i>	46,451.61	-	5,580.00	-	-	<b>52,031.61</b>	Abdul Rahim bin Awang <i>(Resigned as Chief Financial Officer w.e.f. 13 March 2021)</i>	280,161.29	-	37,668.00	-	33,677.39	<b>351,506.68</b>						<b>TOTAL</b>	<b>1,845,258.33</b>
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<b>Explanation :</b> <b>for</b> <b>departure</b>		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure :</b>		
<b>Timeframe :</b>		

**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 7.3 - Step Up**

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

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

### 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 8.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AC is chaired by Mr. Paul Chan and the members are Mr. Ramanathan a/l Sathiamutty, Prof. Hassan and Puan Hafidah Aman binti Hashim, all of whom are Senior Independent Director and Independent Directors. The Chairman is a member of the Malaysian Institute of Accountant with vast knowledge and experience that is recognised for his leadership and acknowledged by the members who could lead the AC to oversight the areas of internal control environment, related party transactions and other financial related matters.</p> <p>The Company had on 20 January 2021 appointed Encik Syed Naqiz as the Chairman of the Board, replacing Mr. Paul Chan as the interim chairman of the Board.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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 8.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Terms of Reference of the AC indicated that no former partner of the external audit firm of the Company shall be appointed as a member of the AC unless the said former partner has observed a cooling-off period of at least three (3) years before being appointed as a member of the AC.</p> <p>None of the members of the Board were former key audit partners and notwithstanding the above provision and in order to uphold the utmost independence, the Board has no intention to appoint any former key audit partner as member of Board.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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 8.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AC has adopted performance evaluation of External Auditors and both AC and Management have conducted an annual assessment of the suitability and independence of the external auditors, Messrs. Crowe Malaysia PLT, in respect of the financial year under review.</p> <p>The AC was satisfied with the performance and independence of the External Auditors as well as the fulfillment of criteria based on several factors, including independence of the external auditors, quality of audit review procedures and adequacy of the firm's expertise and its resources to carry out the audit work that they were tasked with.</p> <p>Messrs. Crowe Malaysia PLT had also indicated to the AC that they had been independent throughout the audit engagement in respect of the financial under review.</p> <p>Having considered all the above criteria, the Board had upon recommendation by the AC, approved the recommendation for the re-appointment of Messrs. Crowe Malaysia PLT as External Auditors of the Company for the ensuing year for the shareholders' approval at the forthcoming Annual General Meeting.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted										
<b>Explanation on adoption of the practice</b>	:	<p>The Terms of Reference of the AC states that the AC shall comprise solely of Independent Non-Executive Directors.</p> <p>Following shows the composition of the AC during the financial year under review:-</p> <table border="1"><thead><tr><th><b>Name</b></th><th><b>Designation</b></th></tr></thead><tbody><tr><td>Paul Chan Wan Siew</td><td>Chairman <i>(Senior Independent Non-Executive Director)</i></td></tr><tr><td>Ramanathan Sathiamutty a/l</td><td>Member <i>(Independent Non-Executive Director)</i></td></tr><tr><td>Professor Emeritus Dato' Dr. Hassan bin Said</td><td>Member <i>(Independent Non-Executive Director)</i></td></tr><tr><td>Puan Hafidah Aman binti Hashim</td><td>Member <i>(Independent Non-Executive Director)</i></td></tr></tbody></table>	<b>Name</b>	<b>Designation</b>	Paul Chan Wan Siew	Chairman <i>(Senior Independent Non-Executive Director)</i>	Ramanathan Sathiamutty a/l	Member <i>(Independent Non-Executive Director)</i>	Professor Emeritus Dato' Dr. Hassan bin Said	Member <i>(Independent Non-Executive Director)</i>	Puan Hafidah Aman binti Hashim	Member <i>(Independent Non-Executive Director)</i>
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Paul Chan Wan Siew	Chairman <i>(Senior Independent Non-Executive Director)</i>											
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Professor Emeritus Dato' Dr. Hassan bin Said	Member <i>(Independent Non-Executive Director)</i>											
Puan Hafidah Aman binti Hashim	Member <i>(Independent Non-Executive Director)</i>											

## 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 8.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AC's effectiveness hinges on several factors, including knowledge, experience and commitment of the members; the AC's leadership, dynamics and chemistry, and their quality interaction with management and internal auditors and external auditors.</p> <p>The members of the AC collectively have the necessary skills and a wide range of experience and expertise in areas such as accounting and auditing, taxation, finance, information technology, investment and legal.</p> <p>Based on the outcome of the performance assessment on the AC by the NC, the NC and Board are satisfied with the performance of the AC.</p> <p>All the members of the AC continuously undertake professional development to keep themselves abreast especially during the current rapid changes and development in the financial related, practices and rules as and when required.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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 9.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board has overall responsibility for maintaining a system of internal control and risk management that provides a reasonable assurance of effective and efficient operations and compliance with laws and regulations, as well as with internal procedures and guidelines.</p> <p>The Statement on Risk Management and Internal Control furnished in the Annual Report provides an overview of the internal control within the Group during the financial year under review.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



### 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 9.2

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board via the RMC oversees the risk management of the Group.  The RMC, with the assistance of the Management, reviews and recommends for the Board's approval on risk management within the Group. The RMC also assesses the risk tolerance of the Group in order to safeguard the interest of its stakeholders.  The Statement on Risk Management and Internal Control furnished in the Annual Report provides an overview of the internal control within the Group during the financial year under review.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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 9.3 - 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.

<b>Application</b>	:	Adopted												
<b>Explanation on adoption of the practice</b>	:	<p>The RMC is made up of a majority of Independent Directors with the following members:-</p> <table border="1"><thead><tr><th>Name</th><th>Designation</th></tr></thead><tbody><tr><td>Ramanathan Sathiamutty a/l</td><td>Chairman <i>(Independent Non-Executive Director)</i></td></tr><tr><td>Dr. Abu Hasan bin Ismail</td><td>Member <i>(Non-Independent Executive Director/President/GCEO)</i></td></tr><tr><td>Paul Chan Wan Siew</td><td>Member <i>(Senior Independent Non-Executive Director)</i></td></tr><tr><td>Baldesh Singh a/l Manmohan Singh</td><td>Member <i>(Non-Independent Executive Director/Chief Operating Officer)</i></td></tr><tr><td>Ginny Yeow Mei Ying</td><td>Member <i>(Independent Non-Executive Director)</i></td></tr></tbody></table> <p>The RMC is responsible for reviewing and recommending risk management policies and strategies for the Company. It also assists the Board in fulfilling corporate governance, risk management and statutory responsibilities in order to manage overall risk exposure.</p>	Name	Designation	Ramanathan Sathiamutty a/l	Chairman <i>(Independent Non-Executive Director)</i>	Dr. Abu Hasan bin Ismail	Member <i>(Non-Independent Executive Director/President/GCEO)</i>	Paul Chan Wan Siew	Member <i>(Senior Independent Non-Executive Director)</i>	Baldesh Singh a/l Manmohan Singh	Member <i>(Non-Independent Executive Director/Chief Operating Officer)</i>	Ginny Yeow Mei Ying	Member <i>(Independent Non-Executive Director)</i>
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Ginny Yeow Mei Ying	Member <i>(Independent Non-Executive Director)</i>													

### 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 10.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Acknowledging the need for an effective and independent Internal Audit function as an integral part of the control structure and risk management framework of the Group and the Company, the decision was taken to outsource the Internal Audit activities to KPMG Management and Risk Consulting Sdn. Bhd. (“<b>KPMG MRC</b>”), a third-party service provider.</p> <p>It is the responsibility of the internal auditors to provide the AC with independent and objective reports on the state of internal control of the various operating units within the Group and the extent of compliance of the units with the Group’s established policies and procedures.</p> <p>Under the financial year under review, the Company engaged KPMG MRC to carry out an internal audit to assist the AC and Board of the Company by independently assessing the system of internal controls as established by Management of the Company, the adequacy and integrity of such internal control system vis-à-vis the objectives served, and to make appropriate recommendations.</p> <p>The AC and Board are satisfied with the performance of the internal auditors KPMG MRC, in the provision of outsourced internal audit services to the Group and the Company.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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 10.2

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has outsourced its internal audit function to KPMG MRC. The internal audit engagement by KPMG MRC, consisting of three (3) personnel is headed by Encik Mohd Khaidzir Shahari (“<b>Encik Khaidzir</b>”), an Executive Director and Head of Risk Consulting of KPMG MRC. Encik Khaidzir is a Chartered Accountant with professional membership in the Association of Certified Management Accountant, The Institute of Internal Audit of Malaysia, and Malaysian Institute of Accountants. Encik Khaidzir has accumulated over twenty-five (25) years of experience in a wide range of governance advisory, risk, and internal audit services.</p> <p>There were a total of three (3) personnel deployed by KPMG MRC for the internal audit work of financial year ended 30 June 2021. All the personnel deployed by KPMG MRC are free from any relationships or conflicts of interest, which could impair their objectivity and independence during the course of the work.</p> <p>The internal audit work was carried out in accordance with the KPMG Internal Audit Methodology, risk-based internal audit methodology, which is aligned with the International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors, of which final communication of internal audit plan, processes and results of the internal audit assessment are supported by sufficient, reliable and relevant information which signifies a satisfactory conclusion of the internal audit work.</p>
<b>Explanation for departure</b>	:	  
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		

## 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 11.1

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board had approved and adopted the Corporate Disclosure Policy (“<b>CDP</b>”) on 5 July 2021, which will supersede the Company’s Investor Relations Policy. The purpose of the CDP is to outline the Company’s approach towards providing accurate, clear, timely and complete disclosure of material information pertaining to the Company’s performance and operations to shareholders, investors and the public general in compliance with applicable legal and regulatory requirements.</p> <p>The Company discloses material information to its stakeholders via documents filed with, and announcements made to, Bursa Malaysia, Securities Commission (“<b>SC</b>”) and other regulators or authorities, the Company’s annual report, financial statements, quarterly reports, press releases, letters to stakeholders, circulars to shareholders, electronic mail communication and information contained in the Company’s corporate website and digital platforms. All announcements shall be approved by the Board before they are released to Bursa Malaysia.</p> <p>The Group and the Company maintain the following website that allows all shareholders and investors access to information about the Group and the Company. The CDP is also available on the Company’s website at <a href="http://www.awantec.my">www.awantec.my</a>.</p> <p>Any further information regarding the Group and the Company may also be obtained from the following communication channels:</p> <table border="1"><tr><td>Corporate Governance Telephone : 03-8689 7000 Facsimile : 03-8689 7009 Email : <a href="mailto:inquiry@awantec.my">inquiry@awantec.my</a></td></tr></table>	Corporate Governance Telephone : 03-8689 7000 Facsimile : 03-8689 7009 Email : <a href="mailto:inquiry@awantec.my">inquiry@awantec.my</a>
Corporate Governance Telephone : 03-8689 7000 Facsimile : 03-8689 7009 Email : <a href="mailto:inquiry@awantec.my">inquiry@awantec.my</a>			
<b>Explanation for departure</b>	:		

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

<b>Measure</b> :		
<b>Timeframe</b> :		

**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 11.2**

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Company is not classified as “Large Company”. However, the Company would consider adopting the integrated reporting based on a globally recognised framework if applicable.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



**Intended Outcome**

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

**Practice 12.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Annual Report, which contains the Notice of Annual General Meeting, was sent to shareholders at least 28 days prior to the date of the meeting to give sufficient time to shareholders to consider the resolutions that will be discussed and decided at the Annual General Meeting. The Notice of Annual General Meeting, which sets out the businesses to be transacted at the Annual General Meeting, was also published in a major local newspaper.</p> <p>The notes to the Notice of Annual General Meeting also provide detailed explanation for each resolution proposed to enable shareholders to make informed decisions in exercising their voting rights.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 12.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>All directors will attend General Meetings and will take any relevant questions addressed to them unless unforeseen circumstances preclude them from attending General Meetings.</p> <p>During the AGM held in 2020, all Directors attended the Annual General Meeting.</p> <p>The President/GCEO also presented the Group’s operating and financial performance for year 2020 during the AGM held in 2020 for the information of the shareholders/proxies present.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 12.3**

Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate–

- including voting in absentia; and
- remote shareholders’ participation at General Meetings.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Tenth AGM and EGM of the Company held on 25 November 2020 were conducted on a virtual basis. The Company also leveraged on technology to facilitate shareholders’ participation remotely and online remote voting on all resolutions tabled at the AGM and EGM of the Company.</p> <p>The administrative details as well as user guide with detailed registration and voting procedures were made available on the Company’s website to ensure shareholders are able to participate and exercise their voting rights at the AGM and EGM of the Company.</p>
<b>Explanation for departure</b>	:	  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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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