

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 7187  
**COMPANY NAME** : CHIN HIN GROUP PROPERTY BERHAD  
**FINANCIAL YEAR** : December 31, 2022

## 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 Group is headed by a Board collectively responsible for meeting the Group's long-term goals and objectives. To ensure these are achieved, the Board establishes the strategic directions and targets for the management and monitors the achievement of those goals and targets.</p> <p>The Board is entrusted with the responsibility to promote the success of the Group by directing and supervising the Group's affairs. Hence, to develop corporate objectives and position descriptions, including the limits to management's responsibilities, which the management is aware and are responsible for meeting.</p> <p>The Board understands the principal risks of all aspects of the business that the Group is engaged in, recognising that business decisions require the incurrence of risk. To achieve a proper balance between risks incurred and potential returns to shareholders, the Board ensures that there are in place systems that effectively monitor and manage those risks, with a view to the long-term viability of the Group.</p> <p>The roles and responsibilities of the Board are clearly defined in the Board Charter, which is available on the Company's website at <a href="http://www.chinhinproperty.com">www.chinhinproperty.com</a>.</p> <p>The principal roles and responsibilities assumed by the Board are as follows:</p> <p>i) <u>Review and Adopt Strategic Plans of the Group</u></p> <p>The Board plays an active role in the development of the Group's overall corporate strategies, marketing plans and financial plans. The Board will be briefed by the Executive Directors with the short and long-term strategies of the Group together with its proposed business plans for the forthcoming year. The Board also monitors</p>

	<p>budgetary exercise which support the Group’s business plans and budget plans.</p> <p>ii) <u>Implementation of Internal Compliance Controls and Justifies Measures to Address Principal Risks</u></p> <p>The Board is fully aware of the responsibilities to maintain a proper internal control system. The Board’s responsibilities for the Group’s system of risk management and internal controls including the financial condition of the business, operational and regulatory compliance.</p> <p>iii) <u>To formulate and Have in Place an Appropriate Succession Plan</u></p> <p>The Board is responsible for formulating and having in place an appropriate succession plan encompassing the appointment, training, and determination of compensation for senior management of the Group, as well as assessing the performance of Directors and Committee members and, where appropriate, retiring and appointing new members of the Board and Executive Directors.</p> <p>iv) <u>Developing and Implementing an Investor Relations Program or Shareholder Communications Policy for the Group</u></p> <p>The Board recognises that shareholders and other stakeholder are entitled to be informed in a timely and readily accessible manner of all material information concerning the Company through a series of regular disclosure events during the financial year. Hence, the Company’s website is the primary medium in providing information to all shareholders and stakeholders.</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>	:	The present Chairman of the Board is Datuk Seri Chiau Beng Teik, who is primarily responsible for the governance and management of the Board, and also serves as the communication point between the Board and the management. The key responsibilities of the Chairman are as follows :  i) Oversees and lead the Board to ensure effective performance of the Board; ii) Facilitating the effective contribution of all Directors at Board meetings; iii) Ensuring all strategic and critical issues are considered by the Board, and the directors receive the relevant information on a timely basis; and iv) Ensuring compliance with all relevant regulations and legislation.
<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>During the financial year under review, the Company has complied with the recommendation of the Malaysian Code of Corporate Governance where the positions of the Chairman and the Executive Directors are held by different individuals, and that the Chairman is a non-executive member of the Board.</p> <p>The Group has a clear distinction and separation of roles between the Chairman and the Executive Directors, with clear division of responsibilities in order to ensure a clear balance of power between the Chairman and the Executive Directors.</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 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>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: Datuk Seri Chiau Beng Teik, is the Chairman of the Company. He is not a member of the Audit Committee, Nomination Committee or Remuneration Committee of the Company.
<b>Explanation for departure</b>	: Please provide an explanation for the departure.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	: Not applicable. The Company is not a large company.
<b>Timeframe</b>	: Choose an item.

**Intended Outcome**

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

**Practice 1.5**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board is supported by qualified and competent Company Secretaries who are responsible for ensuring that the Company's Constitution, procedures and policies and regulations are complied with. The Board is regularly updated and advised by the Company Secretaries on any new statutory and regulatory requirements in relation to their duties and responsibilities. The Board recognises that the Company Secretaries are suitably qualified and capable of carrying out the duties required. The Board is satisfied with the services and support rendered by the Company Secretaries in the discharge of their functions.</p> <p>The Company Secretaries attend all Board and all Board Committees meetings and ensure that meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained accordingly.</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 1.6

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Unless otherwise agreed, notice of each meeting confirming the venue, time, date and agendas of the meeting together with relevant Board papers will be forwarded to each director no later than seven (7) days before the date of the meeting. This is to ensure that Board papers, comprising of due notice of issues to be discussed with supporting information and documentations, were provided to the Board sufficiently in advance. Furthermore, Directors are given sufficient time to read the Board papers and seek clarifications as and when needed or further explanation from management and Company Secretaries. The deliberations of the Board, in terms of the issues discussed during the meetings and the Board's conclusions in discharging its duties and responsibilities, are recorded in the minutes of meetings by the Company Secretaries.</p> <p>The Board has access to all information within the Company to enable them to discharge their duties and responsibilities and is supplied on a timely basis with information and reports on financial, regulatory and audit matters, by way of Board papers, for informed decision making.</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 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>As part of the governance process, the Board has adopted a Board Charter which serves as a source of reference for the Directors. The Board Charter establishes the respective roles and responsibilities of the Board, Board Committees and individual directors, providing among others guidance and clarity on the Board's roles and responsibilities as well as outlining the issues and decisions which are reserved to be made solely by the authority of the Board.</p> <p>The Board Charter is reviewed periodically as and when the need arises to ensure that the dynamic needs of the Group are consistently met. The Board Charter is available on the Company's website at <a href="http://www.chinhinproperty.com">www.chinhinproperty.com</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>	:	The Group has an established Code of Conduct and Ethics ("the Code") that applies to all Directors and employees of the Group. The Code is to assist the directors and all personnel of the Group in defining the ethical standards based on trustworthiness and values as well as uphold the spirit of responsibility in line with the regulations, legislation, and guideline for administration of the Company.  A copy of the Code is available for reference at the Company's website at <a href="http://www.chinhinproperty.com">www.chinhinproperty.com</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>The Board has established a Whistleblowing Policy to improve the overall organisational effectiveness and uphold the Group's business ethics of honesty, integrity and transparency on 6 July 2018.</p> <p>The Whistleblowing Policy is intended to provide and facilitate a mechanism for employees and other stakeholders who can report their concerns related to any suspected and/or known unethical, unlawful, fraud, corruption or other improper conduct without fear of reprisal or intimidation.</p> <p>A copy of the Whistleblowing Policy is available at the Group's website at <a href="http://www.chinhinproperty.com">www.chinhinproperty.com</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 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company understand that an effective governance structure and risk management system is crucial to ensure the sustainability of the Company's business operations. The Company adhere to all applicable rules and regulations as well as best practices and principles of corporate governance as advocated by the Malaysian Code on Corporate Governance.</p> <p>The Company cognisance that good governance lies in sound business ethics, viable policies and procedures across all areas of the Group. The Company have in place the Code of Conduct ("Code"), Anti-Corruption and Anti-Bribery Policy ("ACAB Policy") as well as a Whistleblowing Policy ("WB Policy") to promote ethical business conducts in fair and transparent manner. All the Code, ACAB Policy and WB Policy can be accessed on the Company's website at <a href="http://www.chinhinproperty.com">www.chinhinproperty.com</a>.</p> <p>The Board plays a vital guidance and oversight role in advancing sustainability initiatives and strategies across the Group with assistance from Senior Management to oversee the implementation of the Group's sustainability strategies and ensure key targets are being met.</p> <p>The Board takes into cognisance that risk management and internal control systems are integral to the Company's corporate governance and vital to the business sustainability. Hence, the Board has delegated the responsibility to review the adequacy and effectiveness of the Group's risk management framework and system of internal controls to the Audit Committee. Meanwhile, the Group's overall performance is also tracked with the assistance of Nomination Committee and Remuneration Committee.</p> <p>The roles and responsibilities of the respective parties are enumerated in the Sustainability Statement in the Annual Report.</p>

	The responsibility of the Board to promote and embed sustainability in the Group also includes overseeing stakeholders' engagement and assessment of material matters which are presented in the Sustainability Statement in the Annual Report. The stakeholders' engagement analysis and assessment of material matters surround the Economic, Environmental and Social aspects.	
<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 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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board took cognisance that engaging in effective and meaningful dialogues and disclosures, while anticipating and meeting the needs of all stakeholders are fundamental to build trust and confidence, and forms the foundation of good governance in the Group. The stakeholders’ engagement analysis and assessment of material matters surround the Economic, Environmental and Social aspects.</p> <p>Details pertaining to how the Group engages its stakeholders are available in the “Stakeholders Engagement” section of our Sustainability Statement in the Annual Report.</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 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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board has reasonably sufficient knowledge of the sustainability issues that are relevant to the Company and its business.</p> <p>The Senior Management keeps the Board informed of any updates on the initiatives and progress of the sustainability matters from time to time.</p> <p>The Board gain access to the sustainability issues updates via news, publications from relevant agencies to achieve sustainable long-term value.</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 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.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Company recognise the importance of prioritising sustainability as part of its overall approach to value creation.	
		The Nomination Committee had on 24 February 2023 conducted annual evaluation on the Board members for the financial year ended 31 December 2022. It included the assessment on Board's understanding and performance relating to the sustainability matters.	
		Every Director had completed a set of assessment questionnaire and submitted the results to the Nomination Committee for review. Thereafter, the Nomination Committee reported the results of the evaluation to the Board.	
<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 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.*

<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 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Nomination Committee ("NC") is empowered by the Board to review and evaluate the composition and performance of the Board annually as well as assessing qualified candidates to occupy Board positions. In executing its role to create and maintain a diverse Board, the NC adheres to the recruiting and sourcing process that seeks to include diverse candidates in any director search. The NC, also assesses the appropriate mix of diversity including gender, age, skills, experience and expertise required on the Board and address gaps, if any.</p> <p>During the financial year ended 31 December 2022, the NC had assessed the independence of the Independent Directors; and assessed and evaluated the performance of the Board, Board Committees and individual directors.</p> <p>During the financial period under reviewed, the NC, had reviewed and recommended Mr. Chiau Haw Choon and Datuk Yeo Chun Sing retired in accordance with the Constitution of the Company. The NC assessed the respective directors' eligibility for re-election by considering their competencies, time commitment, contribution and their ability to act in the best interest of the Company. Based on the satisfactory evaluation of the respective director's performance and contributions to the Board, the NC then make recommendation to the Board their re-election at the 20<sup>th</sup> Annual General Meeting held on 3 June 2022.</p> <p>Upon assessment of independence of the Independent Directors, the tenure of individual Independent Directors would be presented to the NC for review annually. As at 31 December 2022, none of the Independent Directors had served the Company for more than 9 years as per the recommendations of Malaysian Code of Corporate Governance.</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 5.2

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Board comprises seven (7) Directors as follows:</p> <ul style="list-style-type: none"><li>(i) One (1) Non-Independent Non-Executive Chairman;</li><li>(ii) Three (3) Independent Non-Executive Directors; and</li><li>(iii) Three (3) Executive Directors.</li></ul> <p>Based on the above, the Company thus complies with Paragraph 15.02 of the Main Market Listing Requirements whereby at least two (2) or one-third (1/3) of the Board of Directors, whichever is higher, are Independent Directors.</p> <p>The Board is mindful of the Malaysian Code of Corporate Governance's recommendation which stated "at least half of the board shall comprise of Independent Directors. For large Companies, the Board shall comprises a majority independent directors." Notwithstanding this, the Board is of the view that a balance of power and authority exists within its current structure to sufficiently enable it to discharge its duties and objective. The Independent Non-Executive Directors of the Company have played a key role in providing unbiased and independent views, advices and contributing their knowledge and experience toward the formulation of policies in the decision-making process. Further, all the Independent Non-Executive Directors are independent from the Executive Directors, management and major shareholders of the Company, and are free from any business or other relationship with the Group that could materially interfere with the exercise of their independent judgement. This offers a strong check and balance on the Board's deliberations.</p>
<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 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Board Charter has set the policy which limits the tenure of its Independent Directors to nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the re-designation of the said person as a Non-Independent Director. In the event the Board intends to retain such Director as Independent Director, after the latter has served a cumulative term of nine (9) years, the Board must justify the decision and seek annual shareholders' approval. As at 31 December 2022, none of the independent director exceeds the cumulative term limit of 9 years.
<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 5.4 - Step Up**

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

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

<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 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	Generally, the Board adopts a flexible approach when selecting and appointing new directors depending on the circumstances and timing of the appointment. The Nomination Committee will help to assess and recommend to the Board, the candidature of directors, the appointment of directors to board committees, review Board's succession plans and training programmes for the Board.  The Nomination Committee shall assess the sustainability of identified candidates for membership of the Board and its committees based on the Fit and Proper Policy adopted by the Board.
<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 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The primary responsibility on screening, evaluating and nominating new Board Member(s) for appointment is delegated to the Nomination Committee ("NC").</p> <p>The NC will perform initial process of review and selection of candidates through various channels and avenues to identify suitably qualified candidates. Apart from internal recommendation by existing board members, the management and/or major shareholders, the NC is also open to referrals from external sources available before recommendation to the Board for approval.</p> <p>During the financial year under reviewed, Ms. Kwan Sook Peng has been appointed to the Board based on the recommendations received from the existing Directors and/or Major Shareholders of the Company. Other sources were not used as the Board was satisfied that the above mentioned Director is the suitable candidate for the Company after assessment of their qualification, skills and expertise.</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 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Nomination Committee (“NC”) would carry out formal assessment evaluation the performance as well as identifying any gaps or areas of improvement of the Individual directors, Board and Board Committee annually. The NC also would identify the directors to be retired (“Retiring Directors”) by rotation in accordance with the Constitution of the Company and assess the Retiring Directors’ eligibility for re-election. Based on the satisfactory evaluation of the respective director’s performance and contributions to the Board, the NC then recommend to the Board the re-election of the Retiring Directors at the forthcoming Twenty-First (21<sup>st</sup>) Annual General Meeting (“AGM”).</p> <p>The Board endorsed recommendation of the NC after reviewing the performance evaluation as well as fitness and propriety of the Retiring Directors, that the Retiring Directors to be considered for re-election at the forthcoming 21<sup>st</sup> AGM.</p> <p>A statement of the Board is satisfied with the performance evaluation as well as fitness and propriety of the Retiring Directors, hence endorsed the recommendation of the NC for the Retiring Directors to be considered for re-election pursuant to the Company’s Constitution at the forthcoming AGM, is disclosed in the Explanatory Notes of the Notice of 21<sup>st</sup> AGM enclosed in the Company’s Annual Report.</p> <p>The details of the respective directors to be retired during the forthcoming AGM were disclosed in the Profiles of Directors in the Company’s Annual Report including their age, gender, position in the Company, qualification, working experience, expertise, any position in Board Committee, any conviction of offence in the past 5 years and any conflict of interest with the Company. The shareholdings of the Retiring Directors were disclosed in the Statistics of Shareholdings in the Company’s Annual Report.</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 5.8

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>	:	The Nomination Committee was chaired by Datuk Hj. Mohd Yusri Bin Md Yusof who is an Independent Non-Executive Director during the financial year ended 31 December 2022.	
<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 5.9

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Board is aware of the importance of boardroom diversity and is supportive of the recommendation of Malaysian Code of Corporate Governance (“MCCG”) to the establishment of boardroom and workforce gender diversity policy. However, the Board does not adopt any formal boardroom diversity policy in the selection of new Board candidates and does not have specific policies on setting the target for female candidates in the Group. The Group basically evaluate the suitability of candidates as a new Board member or as a member of the workforce based on the candidates’ competency, skills, character, time commitment, knowledge, experience and other qualities in meeting the needs of the Group, regardless of gender. Equal opportunity is given and does not practice discrimination of any form, whether based on age, gender, race and religion, throughout the organisation.</p> <p>Currently, save and except for Ms. Shelly Chiau Yee Wern, the Executive Director and Ms. Kwan Sook Peng, the Independent Non-Executive Director, the Board does not comprise of any other female director. As recommended by the MCCG of at least 30% representation of women on Boards, the Board will evaluate and match the criteria of the potential candidate as well as considering the appointment of female director onto the Board in future to bring about a more diverse perspective.</p>
<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 5.10

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Board is aware of the importance of boardroom diversity and is supportive of the recommendation of Malaysian Code of Corporate Governance to the establishment of boardroom and workforce gender diversity policy. However, the Board does not adopt any formal boardroom diversity policy in the selection of new Board candidates and has not formulated specific policies on setting target for female candidates in the workforce.</p> <p>The Group is an equal opportunity employer and does not practise discrimination of any form, whether based on age, gender, race and religion, throughout the organisation.</p> <p>To meet the intended outcome, the evaluation of the suitability of candidates as the new Board member or as a member of the workforce takes into account of various factors including competency, skills, character, time commitment, knowledge, experience and other qualities in meeting the needs of the Group.</p> <p>Nevertheless, the issue on gender diversity will be discussed and given prominence during deliberations by the Nomination Committee ("NC") and the Board. Any new proposed appointment of director of the Company in future, NC will evaluate and match the criteria of the potential candidate to the Board by taking into consideration of the boardroom diversity.</p>
<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 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>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>The Nomination Committee (“NC”) has developed criteria to assess the effectiveness of the Board, the Board committees and individual Director. The evaluation on the Board’s effectiveness is divided into three sections on the following key areas :</p> <ul style="list-style-type: none"><li>• Adding value</li><li>• Conformance</li><li>• Stakeholder Relationship</li><li>• Performance management</li></ul> <p>The process also assesses the competencies of each Director in the areas of integrity and ethics, governance, strategic perspective, business acumen, judgement and decision making, teamwork, communication and leadership.</p> <p>The NC also undertakes annual assessment of the independence of its independent directors based on required mix skills, criteria of independence as per requirements of MMLR.</p> <p>The results of the evaluation were discussed by the NC which were then reported to the Board. The Board did not engage any external party to undertake an independent assessment of the Directors.</p> <p>Based on the assessment conducted for the financial year ended 31 December 2022, the Board and the NC is satisfied with the current composition of Board members and believes that it is well balanced with the right mix of high-caliber individuals with the necessary skills and qualifications, credibility and independence to discharge its duties and responsibilities effectively.</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 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has approved and adopted a Remuneration Policy on 31 December 2021, to determine the remuneration of Directors and key Senior Management, which takes into account the demands, complexities and performance of the Company, the skills and experience required as well as levels and trends for similar positions in the market, the time commitment required from the Directors as well as the additional responsibility of the Chairman of the Board.</p> <p>The Remuneration Committee (“RC”) assists the Board mainly in establishing formal and transparent remuneration policies and procedures to attract and retain talented individuals in steering the Company to achieve its long-term goals and enhance shareholders’ value.</p> <p>The Company’s Remuneration Policy is accessible on the Company’s website at <a href="http://www.chinhinproperty.com">www.chinhinproperty.com</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 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	In line with the Malaysian Code of Corporate Governance, the Board has established the Remuneration Committee which comprise majority of Independent Non-Executive Directors, with the responsibilities to establish a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors.  The Terms of Reference of the Remuneration Committee can be viewed at the Company's website at <a href="http://www.chinhinproperty.com">www.chinhinproperty.com</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**

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The details of the Directors' remuneration paid or payable to all Directors of the Company (both by the Company and the Group) and categorised into appropriate components for the financial year ended 31 December 2022 are set out in the table below.

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	Datuk Seri Chiau Beng Teik	Non-Executive Non-Independent Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Chiau Haw Choon	Executive Director	-	213,000	135,000	450,000	-	76,602	874,602	-	213,000	135,000	450,000	-	76,602	874,602
3	Datuk Yeo Chun Sing	Executive Director	36,000	2,800	-	-	-	-	38,800	36,000	2,800	-	-	-	-	38,800
4	Shelly Chiau Yee Wern	Executive Director	-	-	-	-	-	-	-	-	-	287,040	23,920	-	35,454	346,414
5	Datuk Cheng Lai Hock	Independent Director	33,000	3,200	-	-	-	-	36,200	33,000	3,200	-	-	-	-	36,200
6	Datuk Hj. Mohd Yusri Bin Md Yusof	Independent Director	33,000	3,200	-	-	-	-	36,200	33,000	3,200	-	-	-	-	36,200
7	Kwan Sook Peng (Appointed on 8 August 2022)	Independent Director	26,258	1,200	-	-	-	-	27,458	26,258	1,200	-	-	-	-	27,458
8	Khoo Chee Siang (Resigned on 8 August 2022)	Independent Director	36,742	2,000	-	-	-	-	38,742	36,742	2,000	-	-	-	-	38,742

### Intended Outcome

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

### Practice 8.2

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Company opts not to disclose the Senior Management's remuneration components (salary, bonus, benefits-in-kind and other emoluments) as it is not in the best interest of the Company and Senior Management personnel to disclose of their personal data to the public at large.</p> <p>The top eight (8) Senior Management of the Company (including its direct held subsidiary) are Ms Shelly Chiau Yee Wern, Mr Ngian Siew Siong, Mr Khor Kai Fu, Mr Roger Lim Swee Kiat, Mr Tan Siew Pen, Ms Huang Lee Meng, Mr Khor Chee Yong and Mr Tan Peng Long. The aggregate remuneration of these top eight (8) Senior Management received in financial year ended 31 December 2022 was RM2.63 million representing 13.45% of the total employees' remuneration of the Group.</p> <p>The remuneration of the aforesaid top eight (8) senior management is a combination of annual salary, benefits-in-kind and other emoluments which are determined similarly as other management employee of the Company. This is based on their individual performance and the overall performance of the Company. The basis of determination has been applied consistently from previous year.</p> <p>The Company notes the need for corporate transparency in disclosing the details of the remuneration of its top 8 Senior Management, however, given the confidential and commercial sensitivities associated with remuneration matters and the highly competitive human resource environment for personnel with the requisite knowledge, expertise and experience in the Company's business activities, such disclosure may be detrimental to the business interests and give rise to recruitment and talent retention issues. Thus, the Company is of the view that the interest of the shareholders will not be prejudiced as a result of the non-</p>

	<p>disclosure of the full details of the top 8 senior management personnel who are not Directors of the Company.</p> <p>The Board is of the opinion that disclosure of remuneration of the Directors of the Board by appropriate components and the top 8 Senior Management's total combined remuneration package should meet the intended objectives of the Malaysian Code of Corporate Governance and the interest of the shareholders will not be prejudiced as a result of non-disclosure of the key senior management on named basis.</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>:</p>	
<p><b>Timeframe</b></p>	<p>:</p>	

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.

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

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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>In line with the best practices of Malaysian Code of Corporate Governance, the Board has set up the Audit Committee ("AC") which comprising exclusively of Independent Non-Executive Directors and the Chairman of the AC is not the Chairman of the Board.</p> <p>The AC was chaired by Mr Khoo Chee Siang who is an Independent Non-Executive Director and is not the Chairman of the Board during the financial year ended 31 December 2022 and currently is chaired by Ms Kwan Sook Peng, who is also an Independent Non-Executive Director and is not the 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 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	In line with the Malaysian Code of Corporate Governance, the Board has revised the Terms of Reference of the Audit Committee ("AC") on 15 April 2022, to include the requirement that a former key audit partner would need to observe a cooling-off period of at least three years before being appointed as a member of the AC in the future. As at 31 December 2022, the Board has not appointed any former key audit partner of the external auditors of the Group as a member of the AC.
<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 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.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>Although the Audit Committee ("AC") does not have a policy and procedure that recommended under this Practice 9.3, the AC has taken step to assess or determine the suitability and independence of the External Auditors, the AC has taken into consideration, among others, the following:</p> <ul style="list-style-type: none"><li>i) the adequacy of the competency, experience and quality of the External Auditors;</li><li>ii) the External Auditor's resource capacity and ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the external audit plan;</li><li>iii) whether there are safeguards in place to ensure that there is no threat to the objectivity and independence of the audit arising from the provision of non-audit services or tenure of the External Auditors; and</li><li>iv) the AC plays a crucial role in evaluating the performance of the external auditors. Assessment on the performance of the external auditors was carried out covering areas such as calibre, quality processes/performance, audit team, independence and objectivity, audit scope and planning, audit fees as well as the audit communications of the External Auditors annually.</li></ul>
<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>	:		
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**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>The current Audit Committee ("AC") comprises three (3) members, whom are all Independent Non-Executive Directors.</p> <p>The members of the AC are as follows:</p> <ol style="list-style-type: none"><li>1. (i) Mr. Khoo Chee Siang (Chairman) (Resigned on 8 August 2022) (ii) Ms. Kwan Sook Peng (Chairman) (Appointed on 8 August 2022)</li><li>2. Datuk Cheng Lai Hock (Member)</li><li>3. Datuk Hj. Mohd Yusri Bin Md Yusof (Member)</li></ol>

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Collectively, the members of the Audit Committee ("AC") have the relevant experience and expertise in finance and accounting, and have carried out their duties in accordance with the Terms of Reference of the AC. The AC members continuously keep themselves abreast of the latest development in accounting and auditing standards, statutory laws, regulations and best practices to enable them to discharge their duties effectively.</p> <p>The AC members had attended various professional development programmes and seminars to keep themselves abreast of relevant development in accounting and auditing standards, practices and rules. Details of the professional development programmes and seminars attended by the AC members during the financial year ended 31 December 2022 are set out in the Corporate Governance Overview Statement in the Annual Report of the Company.</p> <p>The Nomination Committee reviewed the term of office and performance of the AC and agreed that the AC has carried out their duties in accordance with its Terms of Reference and satisfied with the performance of the AC.</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>	:		
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### Intended Outcome

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

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

### Practice 10.1

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 acknowledges the importance of a sound risk management system and internal control in the overall management processes. The Group has established an internal control system and risk management framework which is adopted by the Group and its business units to ensure the effectiveness of identification, analysis, assessment, monitoring and communication of risks and internal control issues that will allow the Group to safeguard shareholders investments and assets by mitigating losses and maximising opportunities.</p> <p>Further details of the Group's risk management and internal control are set out in the Statement on Risk Management and Internal Control of the Company's Annual Report.</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 10.2

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>	:	<p>The information on the Group's risk management and internal control was disclosed in the Statement on Risk Management and Internal Control of the Company's Annual Report.</p> <p>Key elements that have been established in the Group's risk management and internal control system are described below :</p> <p><b>1. Risk Management</b></p> <p>The Group's risk management framework comprises of the following key elements:</p> <ul style="list-style-type: none"><li>➤ identify risk that could affect the achievement of the Group's business objective;</li><li>➤ assessment and analysis of likelihood, impact and consequences of risk identified;</li><li>➤ evaluation on the effectiveness and adequacy of existing controls;</li><li>➤ determine appropriate response strategy or additional controls; and</li><li>➤ monitoring and report of risks across the Group.</li></ul> <p>At strategic level, business plans, strategies and investment proposals with risk consideration are formulated by the management team and presented to the Board for review and deliberation to ensure proposed plans and strategies are in line with the Group's risk appetite.</p> <p>Any changes in the key operational risks or emergence of new key business risks are identified through daily operational management, controls and review of financial and operational reports by the respective level of management. Any critical and material risks shall be highlighted to the Board for final decision on the formulation and implementation of effective internal controls.</p> <p>The Group's risk monitoring and management is enhanced by the internal audit function, in which risk-based internal audit review was carried out based on the internal audit plan approved by the Audit Committee ("AC") after considering the risk areas of the Group.</p>

## **2. Internal Controls**

The key salient features of the Group's system of internal controls are as follows :

### Board of Directors/ Board Committees

Board Committees (i.e. Audit Committee, Nomination Committee and Remuneration Committee) have been established to carry out duties and responsibilities delegated by the Board and are governed by written terms of references as stated in the Group's website at [www.chinhinproperty.com](http://www.chinhinproperty.com).

Meetings of the Board and respective Board Committees are carried out on quarterly basis, and as and when required, to review the performance of the Group, from financial to operational perspectives. The quarterly financial performance review containing key financial results and previous corresponding financial results are presented to the AC for review and the Board for approval for public release.

### Standard Operating Procedures

The Group has a set of well-established standard operating procedures covering all critical and significant facets of the Group's operating process at its subsidiary level.

The standard operating procedures are being reviewed periodically or as and when circumstances warrant, to ensure that these documentations remain current and relevant. Compliance with these procedures is an essential element of the risk management and internal control framework.

### Organisation Structure and Authorisation Procedure

The Group has a formal organisation structure in place to ensure appropriate level of authority and responsibilities are delegated appropriately to competent staffs so as to achieve operational effectiveness and efficiency.

The authorisation requirements of the key internal control points of key business processes are included in the standard operating procedures of the Group.

The Board of Directors does not regularly review the internal control system of its associate companies, as the Board of Directors does not have any direct control over their operations. The Group's interests are served through representations on the Boards of the respective associate companies and the review of their management accounts, and enquiries thereon. These representatives also provide the Board with information and timely decision-making on the continuity of the

Group's investment based on the performance of the associate companies.

#### Reporting and Communication

At operational level, clear reporting lines are established across the Group. Meetings are held to discuss operational and financial aspects of the business. These meetings usually involve the review of financial performance, operational and business issues including risk management and internal control matters.

Action-plans are constructed for issues identified during the meeting. Follow-up meetings are conducted to monitor progress of the implementation and if necessary, amendments are done to the implementation so that the planned action achieves its purpose.

Matters that require the Board and Senior Management's attention are highlighted for review, deliberation and decision on a timely manner.

Communications with external stakeholders are channelled through the Group's website, annual reports and announcements made in Bursa Malaysia Securities Berhad ("Bursa Securities")'s website.

#### **3. Internal Audit Function**

The Board recognises the importance of a sound system of risk management and internal control to safeguard the shareholders' investment, stakeholders' interest and the Group's assets. To ensure the system of internal control is functioning effectively, the internal audit function of the Group has been outsourced to a professional services firm. The external professional services firm shall provide the AC and the Board an independent professional assessment on the adequacy, efficiency and effectiveness of the Group's internal control systems.

The outsourced internal auditor reports directly to the AC and the internal audit plans are tabled to the AC for review and approval to ensure adequate coverage.

Generally, internal control review procedures performed by our outsourced internal auditor are designed to review related controls so as to determine the adequacy of risk management and control structures and to formulate recommendations for improvement thereon.

The internal audit reports which consist of internal audit findings, recommendations, as well as management responses and action plans were presented and deliberated by the AC. Updates on the follow-up status of the action plans identified in the previous internal audit report were also presented to the AC.

	The information on the Group's risk management and internal control is further elaborated in the Statement on Risk Management and Internal Control of the Company's Annual Report.	
<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 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.

<b>Application</b> :	Not Adopted
<b>Explanation on adoption of the practice</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 11.1

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>The Group has outsourced its internal audit function to Eco Asia Governance Advisory Sdn Bhd (“Eco Asia”), an independent professional internal audit service provider and consultancy firm which is managed by professionally qualified and experienced staff. The internal auditors are free from any relationships or conflict of interest which could impair their objectivity and independence. The internal audit function adopts an internal audit framework with processes based on the standards recommended by the International Professional Practices Framework of the Institute of Internal Auditors.</p> <p>In order to act independently from the management, Eco Asia will report directly to the Audit Committee (“AC”) and assists the AC in monitoring and reviewing the effectiveness of the risk management, internal control and governance process within the Group.</p> <p>The AC approved the internal audit review plan presented by the external consultant. The internal audit plan is derived based on a risk-based assessment of all units and operations of the Group. The internal audit reports highlight any deficiencies or findings which are discussed with the management and relevant action plans agreed and to be implemented. Significant findings are presented in the AC meetings for consideration and reporting to the Board. A follow-up audit review is also conducted to determine whether all audit recommendations are effectively implemented.</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 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Eco Asia, the outsource internal auditors appointed by the Company, is an independent professional internal audit service provider and consultancy firm which is managed by professionally qualified and experienced staff. For each internal audit review, a team of at least three (3) internal audit personnel led by Mr Woon Soon Fai were assigned by Eco Asia to undertake the review in accordance with the annual internal audit plan approved by the Audit Committee. Mr Woon Soon Fai is a Fellow Member of the Association of Chartered Certified Accountants ("FCCA"), a Member of the Malaysian Institute of Accountants ("MIA") and an Associate Member of the Institute of Internal Auditors ("AIIA").</p> <p>The internal auditors are free from any relationships which could create conflict of interest and which could impair their objectivity and independence. The internal audit function adopts an internal audit framework with processes based on the standards recommended by the International Professional Practices Framework of the Institute of Internal Auditors.</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 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges the importance of on-going engagement and communication with stakeholders and to ensure that communication is timely, regular, transparent and effective.</p> <p>The Group has established a dedicated section for Investor Information on the Group's website at <a href="http://www.chinhinproperty.com">www.chinhinproperty.com</a> where shareholders as well as members of the public may access the latest information on the Group. Information is also communicated through the following channels:</p> <ul style="list-style-type: none"> <li>(i) Various disclosures and announcements to Bursa Securities including quarterly results;</li> <li>(ii) Press releases and announcements to Bursa Securities and to the Media;</li> <li>(iii) Publication of the Group's Annual Report;</li> <li>(iv) Dialogues with shareholders, potential investors and analysts and fund managers;</li> <li>(v) Conduct Annual General Meetings; and</li> <li>(vi) Social media and other electronic channels.</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**

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.

<b>Application</b>	:	Not applicable – Not a Large Company	
<b>Explanation on application of the practice</b>	:		
<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 13.1

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>In line with the requirements of at least twenty-one (21) days before the meeting as required under Companies Act 2016 and Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board has dispatch the notice of Annual General Meeting (“AGM”) at least twenty-eight (28) days before the meeting, mindful that sufficient notice and time given would allow the shareholders to make necessary arrangements to attend and participate in the AGM.</p> <p>The notice of Twentieth (20<sup>th</sup>) AGM held on 3 June 2022, together with a copy each of the Company’s Annual Report and Circular to Shareholders for the financial period from 1 April 2021 to 31 December 2021, were dispatched to shareholders on 29 April 2022. The Notice of AGM, which sets out the business to be transacted at the AGM, is also published in at least a major local newspaper.</p> <p>The Company has provided notice of at least 28 days to shareholders for the forthcoming AGM.</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 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company regards its general meetings, particularly its Annual General Meeting (“AGM”), as the principal forum for direct interaction and dialogue among shareholders, the Board and Management. AGM provides an important avenue for effective communication with shareholders and for receiving constructive feedback particularly on matters concerning shareholders’ interests.</p> <p>Barring any unforeseen circumstances, all Directors (which includes the Chairman of all mandated Board Committees) are committed to attend the meeting of members of the Company.</p> <p>The presence of all Directors presented opportunities for the shareholders with each Director and allowed the shareholders to raise questions and concerns to the Directors directly.</p> <p>During the Twentieth (20<sup>th</sup>) AGM of the Company held on 3 June 2022 was conducted by way of fully virtual basis and via the Remote Participation and Voting (“RPV”) Facilities, all Directors have attended the said AGM to engage directly with shareholders, and be accountable for their stewardship 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

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Annual General Meeting (“AGM”) of the Company are always held at an easily accessible venue to facilitate high shareholders’ attendance. Shareholders who are unable to attend general meetings may appoint any persons as their proxies to attend, speak and vote on their behalf at the general meetings in accordance with the relevant provisions of the Constitution.</p> <p>As part of the Company’s precautionary measure against the COVID-19 pandemic, at its Twentieth (20<sup>th</sup>) AGM held on 3 June 2022, the Company had leveraged technology to convene its AGM as a fully virtual meeting conducted via live streaming, where members had joined the AGM online, and also voted electronically using the Remote Participation and Voting (“RPV”) facility.</p> <p>In view of the COVID-19 outbreak, shareholders were advised to take advantage of the RPV facility.</p> <p>Shareholders who had registered to participate in the AGM had participated remotely via live streaming at the AGM. At the same time, they cast their votes online until the close of the voting session.</p> <p>The electronic polling process was conducted by Agmo Digital Solutions Sdn. Bhd., the Poll Administrator and results of the poll was verified by the Scrutineers, Aegis Communication Sdn. Bhd..</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>	:		
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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>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>At its Twentieth (20<sup>th</sup>) Annual General Meeting ("AGM") held on 3 June 2022, the Company had leveraged technology to convene its AGM as a fully virtual meeting conducted via live streaming, where members had joined the AGM online, and also voted electronically using the Remote Participation and Voting ("RPV") facility provided by Agmo Digital Solutions Sdn. Bhd..</p> <p>Shareholders and proxies were able to submit their questions electronically via Vote2u Online website before and during the AGM.</p> <p>All Directors including the Chairman of Audit, Nomination and Remuneration Committee attended virtual AGM to engage directly with the shareholders. The Group's senior management, External Auditors and Company Secretaries were also attended the AGM. The queries or issues raised by the shareholders relating to Group's financial performance and business operations were answered by the Group's senior management.</p> <p>The Chairman of the meeting also plays a pivotal role in fostering constructive dialogue between shareholders, the Board and Senior Management. Shareholders are encouraged to present their views or to seek clarification on the proposed resolution and/or progress, performance and major developments of the Company by participating in the questions and answers session during the AGM.</p> <p>The Chairman will provide sufficient time to shareholders to raise questions and would respond to the shareholders with regards to their concern and questions raised accordingly. The Chairman had assigned the Executive Directors or the Management to answer the questions raised by shareholders/proxies.</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 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>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>In view of the COVID-19 pandemic, the Company had convened its Twentieth (20<sup>th</sup>) Annual General Meeting (“AGM”) as a fully virtual meeting conducted via live streaming.</p> <p>The Company had provided an Administrative Guide to the shareholders, which set out the procedures and requirements for Remote Participation and Voting (“RPV”) facilities. Shareholders and proxies that successfully registered for RPV were able to submit their questions electronically via Vote2U Online website before and during the AGM.</p> <p>Shareholders/proxies had joined the AGM online, and also voted electronically using the RPV facility provided by Agmo Digital Solutions Sdn. Bhd. via its Vote2U Online website.</p> <p>The Chairman had assigned the Executive Director or the Management to answer all the questions raised.</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 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>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The Minutes of the Twentieth ("20 <sup>th</sup> ") Annual General Meeting ("AGM") held on 3 June 2022 ("Minutes") was prepared by the Company Secretary after the meeting. The Minutes has been circulated to the Board for review and approval. The Minutes was confirmed and signed by the Chairman, as a correct record of the proceedings thereat.  A copy of the minutes was uploaded to the Company's website no later than 30 business days after the AGM.
<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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