

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7243
COMPANY NAME : Magma Group Berhad (fka Impiana Hotels Berhad)
FINANCIAL YEAR : December 31, 2023

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board consists of professionals and competent individuals of calibre with diverse backgrounds, expertise and experience suitable for managing the Company's businesses.</p> <p>The Board has performed the following roles and responsibilities during the financial year ended 31 December 2023:</p> <ul style="list-style-type: none">• Ensured that the Company's goals are clearly established and that strategies are in place for achieving them;• Established policies for strengthening the performance of the Company including ensuring that Management is proactively seeking to build the business through innovation, initiative, technology, new products and the development of its business capital;• Monitored the performance of Management;• Decide on steps necessary to protect the Company's financial position and the ability to meet its debts and other obligations when they fall due, and ensuring that such steps are taken;• Ensured that the Company's financial statements are true and fair and conform with the law;• Ensured that the Company adheres to high standards of ethics and corporate behaviour; and• Ensured that the Company has appropriate risk management/regulatory compliance policies in place <p>The above roles and responsibilities were discharged by the Board to ensure that the obligations of the Company are met and understood by its shareholders and stakeholders.</p>

	<p>The Board has delegated some of its responsibilities to the Board Committees, namely Audit and Risk Management Committee (“ARC”), Nomination Committee (“NC”) and Remuneration Committee (“RC”). The roles and responsibilities of the Board Committees which had been delegated by the Board are set out in the respective Board Committees’ Terms of References.</p> <p>The duties and responsibilities of the Board have been clearly specified in the Board Charter, which is available on the Company’s website at www.magma.my.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>Dato' Seri Ismail @ Farouk bin Abdullah ("Dato' Seri Farouk"), the Executive Chairman, is the Chairman of the Board. Dato' Sri Lee Hock Seng ("Dato' Sri Lee"), who was appointed on 6 September 2023, is the Deputy Executive Chairman of the Company. The Chairman and Deputy Chairman are responsible for ensuring the integrity and effectiveness of the governance processes of the Board.</p> <p>In addition, the Chairman and Deputy Chairman ensure effective functioning of the Board; oversees and facilitates effective functioning of the Board; oversees and facilitates the Board's Committees and Board members evaluation reviews and succession planning alongside the Chairman of the NC.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The roles of the Chairman and Deputy Chairman of the Board and the Executive Directors (EDs) are distinctly held by separate individuals, ensuring a clear and accepted division of responsibilities.</p> <p>This structure is designed to maintain a balance of power and authority, preventing any single individual from having unchecked decision-making powers. Detailed information regarding the separation of functions between the Chairman and Deputy Chairman of the Board and the EDs can be found in Item 4 of the Board Charter, accessible on the Company's website at www.magma.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	<p>For FYE 31 December 2023, Magma Group Berhad (formerly known as Impiana Hotels Berhad) is compliant with this Practice 1.4 whereby the Chairman of the Board, Dato' Seri Farouk and Deputy Chairman, Dato' Sri Lee are not a member of the Board Audit and Risk Management Committee or Board Nomination or Remuneration Committee.</p> <p>The Chairman and Deputy Chairman of the Board are not a member of other Board Committees under the Malaysian Code on Corporate Governance nor be invited to attend any of the Board Committee meetings.</p> <p>This has enhanced the check and balance function as well as objective review by the Board on all matters recommended by the Board Committees.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is advised and supported by two (2) suitably qualified and competent Company Secretaries. The Company Secretaries provide sound governance advice, ensure adherence to rules and procedures and advocate adoption of corporate governance best practices as prescribed in the Malaysian Code on Corporate Governance (“MCCG”) 2021 (“MCCG 2021”).</p> <p>The Company Secretaries are responsible for ensuring the following:</p> <ul style="list-style-type: none"> • That Board procedures are followed; • That the applicable rules and regulations for the conduct of the affairs of the Board are complied with; and • Advise on all matters associated with the maintenance of the Board or otherwise required for efficient operation of the Board. <p>The Company Secretaries attended all the Board Meetings, Committee Meetings and General Meetings to facilitate the Board and ensure that the procedures were carried out properly. The procedures and conclusion of all the Board Meetings, Committee Meetings and General Meetings are minuted by the Company Secretaries and approved by the Chairman/Chairperson of Meetings accordingly.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>All Directors are provided with papers which include the agenda and reports relevant to the issues of the meetings covering areas of strategic, financial, operational and regulatory compliance matters at least 7 days prior to each Board meeting. These are issued in sufficient time to enable the Directors to obtain any further information and/or explanations where necessary.</p> <p>The Board papers prepared for the quarterly scheduled meetings include, among others, the following :-</p> <ul style="list-style-type: none"> • Minutes of previous Board meeting; • Minutes of the Board Committee's meeting; • Reports on matters arising; • Quarterly financial results; and • Report on operational matters. <p>The minutes of meetings are circulated to the Board for review in a timely manner before it is finalised and tabled at the next meeting for confirmation.</p> <p>All the records of proceedings and resolutions passed are kept at the registered office of the Company</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company's Board Charter is published on the Company's website, www.magma.my and is reviewed periodically to accommodate any changes arising from the Companies Act 2016, Main Market Listing Requirements ("Listing Requirements") and MCGG 2021, to ensure it remain consistent with the Board's objectives and responsibilities as well as relevant standards of corporate governance.</p> <p>The Board Charter outlines the roles and responsibilities of the Board, Independent Directors, the Management, Company Secretaries and the Board Committees.</p> <p>Specific issues and decisions have been reserved by the Board such as:</p> <ul style="list-style-type: none">• Material acquisitions and disposition of assets not in the ordinary course of business;• Investments in capital projects;• Authority levels;• Treasury policies;• Risk management policies;• Key human resource issues; and• Conflict of interest issues relating to a substantial shareholder or a Director.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	The Company's Code of Ethics and Conduct for Directors ("COEC") is published on the Company's website, www.magma.my The COEC is intended to codify a standard of conduct by which all Directors are expected to abide; protect the business interests of the Company; maintain the Company's reputation for integrity; and foster compliance with applicable legal and regulatory obligations.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has in place its Whistleblowing Policy to provide a formal and confidential channel to enable employees and any external party to report in good faith, serious concerns of any improper conduct and/or wrongdoing committed by an employee, confidentially and anonymously to the Chairman of ARC, including and without limitation to the following matters:</p> <ul style="list-style-type: none">• Fraud;• Corruption, bribery or blackmail;• Criminal offences;• Miscarriage of justice;• Endangerment of an individual's health and safety; and• Concealment of any, or combination, of the above. <p>The Whistleblowing Policy aims to enhance corporate governance by helping to foster an environment where integrity and ethical behaviour is maintained. The Whistleblowing Policy also acts as an early warning system and enable the Company to remedy any wrongdoings before serious damage is caused to the Company.</p> <p>The Whistleblowing Policy is published on the Company's website, www.magma.my and any reports or complaints are channelled to the Chairman of ARC.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied	
Explanation on application of the practice	:	The Company's sustainability governance structure is led by the Board of Directors, which oversees the Group's overall sustainability performance. The Senior Management and Sustainability Steering Committee are responsible for overseeing sustainability practices, policies and procedures to improve sustainability performance. Information on material corporate issues and the social and environmental impacts, as well as key sustainability initiatives, is disclosed in the Sustainability Statement of the 2023 Annual Report.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board and Senior Management communicate to the Company’s internal stakeholders via periodic sharing, and to its external stakeholders via the Company’s Annual Report.</p> <p>Details of the Company’s sustainability matters are disclosed in the Sustainability Statement in the 2023 Annual Report.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board will assess training programmes, including those related to sustainability issues, to be attended by the Directors, to ensure that the Directors continue to constantly keep themselves abreast on the relevant requirements and matters concerning the sustainability, including the latest developments in the industry as well as the sustainability issues relevant to the Group.</p> <p>During the financial year ended 31 December 2023 (“FYE 31 December 2023”), the Directors attended various training and development programmes including sustainability related programmes. The list of training attended by the Directors are reported in the Corporate Governance Overview Statement in the Annual Report 2023 on page 48.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	The performance evaluation of the Board and senior management relating to Environmental, Social and Governance (ESG) in addressing the Group's material sustainability risks and opportunities was evaluated through the annual Board's effectiveness evaluation for the FYE 31 December 2023.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Adopted
Explanation on adoption of the practice	:	The Board has designated the Group Chief Operating Officer, as the person responsible for managing sustainability practices, policies and procedures to improve sustainability performance.

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is committed to ensure that the Directors of the Company possess a broad balance of skills, knowledge, experience, background, independence and diversity. The NC is responsible to recommend to the Board the appointment of new Directors and it endeavours to ensure that gender, ethnicity and age diversity will be taken into account in nominating quality candidates to be appointed to the Board.</p> <p>The NC oversees and reviews the overall composition of the Board in terms of size, the required mix of skills, experience and other qualities and core competencies for the Directors of the Company.</p> <p>The effectiveness of the Board as a whole and the Board Committees will also be assessed by the NC on an annual basis</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>The Board currently comprises eight (8) members, three (3) of which are Independent Non-Executive Directors.</p> <p>All the three (3) Independent Non-Executive Directors satisfy the independence test under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).</p> <p>The Company is in compliance with Paragraph 15.02 of the Bursa Malaysia Securities Berhad which requires at least two (2) directors or one-third (1/3) of the Board of Directors of the Company, are Independent Directors. Thus, the Board views that the number of Independent Directors of the Company are adequate to provide the necessary check and balance to the Board’s decision making process.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Applied	
Explanation on application of the practice	:	There are no Independent Directors serving beyond a cumulative term limit of nine years.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 - Step Up

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

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

Application	:	
Explanation on adoption of the practice	:	Please provide an explanation on the adoption.

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is committed to ensure that the Directors of the Company possess a broad balance of skills, knowledge, experience, background, independence and diversity. The NC is responsible to recommend to the Board for the appointment of new Directors and it endeavour to ensure that gender, ethnicity and age diversity will be taken into account in nominating quality candidates to be appointed to the Board.</p> <p>Selection of senior management is also based on objective criteria and merit, with due regard to diversity in skills, experience, age, cultural background and gender.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied	
Explanation on application of the practice	:	The NC is responsible for recommending suitable candidates for Directorships to the Board. In evaluating potential candidates, the NC will assess directorship suitability based on their qualification, required competencies, skills, expertise and experience, specialist knowledge or technical skills, professionalism and integrity. In searching for suitable candidates, the NC may receive suggestions from existing Board Members, Management and major shareholders. The NC may also assimilate varied sources to identify candidates to be appointed to the Board, including utilising independent sources.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board ensures that shareholders are kept informed on the changes to the Board and its supporting Board Committees. Any changes to the Board's composition and structure is disclosed via the Bursa Malaysia Announcement Link within the stipulated time required by the regulators. The Company's corporate website is also promptly updated to disclose the changes to the Board's composition.</p> <p>The profiles of Directors are published in the Annual Report and on the Company's website. These include their age, gender, tenure of service, directorships in other companies, working experience and any conflict of interests as well as their shareholdings in the Company, if any.</p> <p>Information on Directors up for re-election is shared with shareholders via the Notice of AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The current Chairperson of the NC, Ms. Lee Guat Tin is an Independent Non-Executive Director.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	Currently, there are 3 female directors sitting on the Board and this forms 37.5% of the Board composition.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

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

Application	:	Applied	
Explanation on application of the practice	:	The Board is cognisant of the recommendation of MCCG 2021 to ensure the Board has in place a policy for the Board and senior management on gender diversity.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: Based on the annual review carried out through the Directors/Key Officers Evaluation Form, Individual Directors' Self-Assessment Form, Board Evaluation Form, Performance Evaluation Sheet – Board Committees, ARC Evaluation Form, ARC Self and Peer Evaluation Form and Independent Directors Self-Assessment Checklist undertaken with the assistance of the Company Secretary, the NC is satisfied that: <ul style="list-style-type: none">• the Board Committees have carried out their functions in accordance with their respective terms of reference and overall, the members of the committees have attended to their responsibilities effectively• the size and composition of the Board was optimum with a good balance of Executive Directors and Independent Non-Executive Directors• the current Board has the right mix of skills and experience which are relevant for the Board to carry out its responsibilities in an effective and competent manner as well as independently and objectively in the interest of the investors and shareholders of the Company• the Directors understand their roles, powers, duties and responsibilities and the activities carried out by the Company• the Independent Directors are independent The aim of the assessment evaluation is to identify areas of weakness of the Board and recommend improvements independently. The results and recommendations from the evaluation of the Board and Board Committees were reported to the Board for full

	consideration and action. The Board noted and satisfied with the outcome of evaluation.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has in place the necessary policies and procedures to determine remuneration packages for the Board and Senior Management. These policies and procedures are implemented by the RC.</p> <p>The RC considers the candidate's demands, complexities of the Company's business and target of performance of the Company to be achieved, as well as skills and experience required from a candidate when determining a remuneration package.</p> <p>In addition, the RC is tasked to review and recommend to the Board the remuneration package of the Executive Directors and Non-Executive Directors. The remuneration packages will be set at an appropriate level to attract and retain Directors of calibre.</p> <p>The remuneration package framework shall cover all aspects of remuneration including Directors' fees, salaries, allowances, bonuses, options and other benefits payable.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The policies and procedures of the RC are set out in the "Remuneration Committee - Terms of Reference".</p> <p>The Chairman of the RC is an Independent Non-Executive Director (INED) and the current RC consists of wholly INEDs. The RC reviews the remuneration packages of the Board and Senior Management annually.</p> <p>The Board is satisfied with the performance of the RC in carrying out its duties according to the "Remuneration Committee - Terms of Reference" which is published on the Company's website, www.magma.my</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The disclosure and the remuneration breakdown of the individual Directors by their respective names are set out under Directors' Remuneration in the "Corporate Governance Overview Statement" section in the Annual Report and the table shown 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	Dato' Seri Ismail @ Farouk bin Abdullah	Executive Director	Input info here	RM39	Input info here	Input info here	Input info here	Input info here	Input info here	RM39	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Dato' Sri Lee Hock Seng	Executive Director	Input info here	RM13	Input info here	Input info here	Input info here	Input info here	Input info here	RM13	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Dato' Sri Liang Chee Fong	Executive Director	Input info here	Input info here	RM39	Input info here	Input info here	Input info here	Input info here	RM39	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Pn Dyana Sofya binti Mohd Daud	Non-Executive Non-Independent Director	RM30	RM16.5	Input info here	Input info here	Input info here	Input info here	Input info here	RM46.5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Dato' Hong Khay Kuan	Independent Director	RM30	RM13	Input info here	Input info here	Input info here	Input info here	Input info here	RM43	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
6	Dato' Hoo Voon Him	Executive Director	Input info here	RM38	Input info here	Input info here	Input info here	Input info here	Input info here	RM38	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
7	Ms. Lee Guat Tin	Independent Director	RM10	RM8.5	Input info here	Input info here	Input info here	Input info here	Input info here	RM18.5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
8	Ms. Lim Su Hwei	Independent Director	RM10	RM8.5	Input info here	Input info here	Input info here	Input info here	Input info here	RM18.5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Prof. Dr Mohd Amy Azhar	Independent Director	RM20	RM8.5	Input info here	Input info here	Input info here	Input info here	Input info here	RM28.5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Datuk Supperamaniam A/L Manickam	Independent Director	RM20	RM11	Input info here	Input info here	Input info here	Input info here	Input info here	RM31	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
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Intended Outcome

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

Practice 8.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>For the FYE 31 December 2023, a total remuneration of RM383,421.05 was paid to the Senior Management.</p> <p>However, disclosing the senior management's remuneration in detail would be disadvantageous to the Group, given the competition for talent in the market and sensitive nature of remuneration packages.</p> <p>The Board believes that the non-disclosure of remuneration of top five senior management personnel who are not Directors of the Company will not prejudice the interest of its shareholders.</p> <p>As a measure to balance transparency with privacy and security concerns, the Company has opted to disclose the remuneration of its top five Key Senior Management personnel within a specified band. Specifically, the disclosed remuneration falls within the RM50,000.00 band, as outlined in the Corporate Governance Overview Statement, found on page 54 of the Annual Report for the year 2023.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The positions of the Chairman/Chairperson and Deputy Chairman of the Board and ARC are held by separate individuals.</p> <p>The ARC comprises 3 members who are Non-Executive Directors and majority being Independent Directors.</p> <p>The Chairperson of ARC is Ms. Lim Su Hwei, a Chartered Accountant and holds CPA Australia. She is an Independent Director and assumed her current role as Chairperson of the ARC on 21 August 2023.</p> <p>The Chairman and Deputy Chairman of the Board are Dato' Seri Farouk and Dato' Sri Lee respectively, whose role and responsibility as Chairman and Deputy Chairman of the Board differs from that of the Chairperson of ARC.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The "Audit and Risk Management Committee - Terms of Reference" published on the Company's website, www.magma.my provides for the observance to a cooling-off period of at least 3 years prior to any appointment of a former key audit partner as member of the ARC.</p> <p>Presently, none of the members of the ARC are former key audit partners of the Company's external auditors</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company through the "Audit and Risk Management Committee - Terms of Reference" has outlined specific policies and procedures to assess the suitability, objectivity and independence of the appointed external auditor.</p> <p>It is the function of the ARC to review the external auditor's audit plan, the evaluation of the system of internal controls and the quality of audit report.</p> <p>The appointed external auditors, Messrs Moore Stephens Associates PLT (LLP0000963-LCA & AF2096) has remained objective and independent throughout their tenure as external auditors of the Company during the FYE 31 December 2023.</p> <p>In April 2023 and February 2024, the ARC reviewed and assessed the performance and independence of the External Auditor and also considered its suitability for re-appointment as external auditors of Magma Group for the next financial year end.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The ARC is chaired by Ms. Lim Su Hwei who is a Chartered Accountant.</p> <p>In addition, the Chairperson of ARC is supported by qualified and experienced members who are financially literate and possessing the ability to understand matters under the purview of the ARC including the financial reporting processes.</p> <p>The Board is satisfied with the ARC's performance in providing checks and balances to the Company as its Chairperson and members have applied the necessary knowledge, experience, expertise and skills in discharging their duties.</p> <p>The ARC members will continuously keep themselves abreast on developments in the accounting and auditing standard, practices and rules in financial reporting.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is fully aware of its overall responsibility in continuously maintaining a sound internal control system which covers not only financial controls but also operational and compliance controls as well as risk management, and the need to review its effectiveness regularly in order to safeguard shareholders' investments and the Company's assets. The internal control system is designed to identify the risks to which the Company is exposed and mitigate the impacts thereof to meet the particular needs of the Company.</p> <p>The Board has delegated the responsibility for the review of the risk management and internal control system to the ARC. The Company's Internal Audit Department ("IAD") led by the Internal Audit Manager ("Internal Auditor") is tasked to establish the process and procedure for identifying, evaluating and monitoring these risks and implementing appropriate controls in managing these risks; and ensuring a sound system of internal control is in place in order for the system to function well. The IAD will also carry out an assessment to determine the effectiveness and efficiency of the various business units' operations within the Group and their compliance with applicable laws, policies and procedures.</p> <p>The Board regards risk management as an integral part of the Group's business operations and has oversight over this critical area through the ARC. The Group's enterprise risk management ("ERM") framework was approved by the Board on 27 August 2020. The ARC, supported by the Internal Auditor, provides an independent assessment of the effectiveness of the Group's ERM framework and reports to the Board.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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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 10.2

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

Application	:	Applied	
Explanation on application of the practice	:	The risk management and internal control framework are further elaborated in the "Statement on Risk Management and Internal Control" section in the Annual Report.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	The Board approved the renaming of the Audit Committee to "Audit and Risk Management Committee" on 27 August 2020 and the ARC oversees the Company's risk management framework and policies. The composition of the ARC comprises a majority of Independent Directors.

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company's internal audit function is carried out by the IAD.</p> <p>The IAD reports directly to the ARC on the audit findings and provide recommendations for corrective actions to the AC for AC's consideration. The IAD operates independently of the Company and reports its findings to the ARC directly.</p> <p>The audits carried out by the Internal Auditor is carried out based on the annual audit plan, reviewed and approved by the ARC. Audit activities are scheduled based on risk assessment and risk areas are identified using a risk-based planning approach.</p> <p>The internal audit function is to ensure a regular review of the adequacy and integrity of the Group's system of internal control and risk management, and compliance with the Group's policies and procedures.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Internal Auditor leads the IAD in his capacity as the Internal Audit Manager. He is a Certified Internal Auditor and a member of Institute of Internal Auditors Malaysia. He is currently carrying out audit work in his sole capacity and reports his audit findings of the Group to the ARC directly.</p> <p>Currently, the Group consist of 3 operating assets which are active and running. The Company may look into increasing and the resources of IAD when the need arises.</p> <p>The Internal Auditor is free from any relationships and does not have any conflicts of interest with the Board, Senior Management and officers of the Company and the Group.</p> <p>The Internal Auditor carried out the internal audits of the Group based on a risk-based plan approved by the Audit Committee which meet the objectives of the internal audit framework relevant and applicable to the industry.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is committed to ensuring accurate and timely disclosures of information regarding the Company to its shareholders. The shareholders are kept abreast with the developments of the Company's activities via the following:</p> <ul style="list-style-type: none"> • Disclosure on Annual Report through Bursa Securities; • Disclosure on Quarterly Results and Annual Results to Bursa Securities; • Engagement meetings and briefings with investors, analysts and the media; • Announcement of major developments through Bursa Securities. <p>In addition to the above, the Company maintains a corporate website, www.magma.my which serves as a platform for stakeholders to access corporate information, news, events and announcements relating to the Company.</p> <p>The Company engages with its shareholders through Annual General Meetings ("AGMs") and Extraordinary General Meetings ("EGMs"). This provides the shareholders an opportunity to engage with the Board and the Senior Management of the Company</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.2

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

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The last 14th AGM was held on 26 June 2023 and the Notice convening the 14th AGM was sent to the shareholders on 29 April 2023 which was at least 28 days ahead of the 14th AGM.</p> <p>The Company's Annual Report will be issued to its shareholders within 4 months from the close of the financial year in accordance with paragraph 9.23(1) of the Listing Requirements whilst the 15th AGM will be held on 26 June 2024.</p> <p>The Notice of Meeting for the Company's 15th AGM and Form of Proxy are enclosed in the Annual Report 2023 and will be issued to the shareholders on 30 April 2024, in compliance with Practice 13.1 herein.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>All directors (except for Dato Hoo Voon Him and Prof. Amy who were absent with apologies) have attended the 14th AGM held on 26 June 2023.</p> <p>All directors (except for Dato' Seri Farouk who was absent with apologies) have attended the EGM held during the FYE 31 December 2023.</p> <p>The Chairman/Chairperson of the Board and Committees, including the members are aware of their respective roles to provide meaningful responses to any questions raised by the shareholders during the General Meetings.</p> <p>It has always been the practice of the Senior Management to also be in attendance during these General Meetings to facilitate the Board in responding to shareholders' queries.</p> <p>The Company commits to ensuring the attendance of all Directors at the General Meeting.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>Due to the ongoing Coronavirus (COVID-19) pandemic and in adherence to safety protocols aimed at protecting the well-being of Magma's shareholders, the 14th Annual General Meeting (AGM) and Extraordinary General Meeting (EGM) were held on 26 June 2023 and 12 December 2023, respectively, as virtual sessions. These meetings were conducted using a secure digital platform that supported live streaming and enabled shareholders to vote online through the Remote Participation and Electronic Voting (RPEV) system.</p> <p>At the conclusion of the voting process, the Chairman announced the poll voting results, which had been validated by the appointed Independent Scrutineer, to the shareholders present in the meetings. The poll results were also announced to Bursa Malaysia Securities Berhad on the same day of the meetings.</p> <p>Looking forward, the Company plans to host its 15th AGM as a virtual event as well, utilizing live streaming and electronic polling (e-polling) from the broadcast venue. This approach is designed to facilitate greater participation from shareholders, allowing those who might have been restricted by geographical distances to engage actively with the Board during the General Meeting from any location.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application :	Applied
Explanation on application of the practice :	At the virtual general meetings, the Chairman introduced the members of the Board of Directors and Company Secretary as well as the Senior Management, representative(s) from external auditors, share registrar/poll administrator and scrutineers of the Company who were present for the benefit of all shareholders. The Chairman proceeded with the agenda of the meeting and thereafter the question-and-answer session in the form of real-time submission of typed texts via the online platform with shareholders and provided responses to the questions.
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application :	Applied
Explanation on application of the practice :	<p>The 14th Annual General Meeting (AGM) and Extraordinary General Meeting (EGM) of the Company were seamlessly executed as virtual sessions on 26 June 2023 and 12 December 2023, respectively, utilizing a secure digital platform. This approach was adopted to protect the health and safety of shareholders, directors, and employees amid the COVID-19 pandemic.</p> <p>The Chairman also confirmed to the members that the organization of these meetings adhered to Section 327 of the Companies Act, 2016, which requires the Chairman to be present at the main venue of the General Meeting. Furthermore, the meetings complied with the Company's Constitution, the COVID-19 guidelines issued by the Government of Malaysia for physical distancing, and the Securities Commission (SC) guidance and FAQs on conducting general meetings for listed issuers.</p> <p>In preparation for these meetings, the Company meticulously evaluated the digital platform's stability and capacity, ensuring robust internet bandwidth to facilitate uninterrupted live streaming and remote participation of directors, shareholders, and proxies.</p> <p>Collaboration with the service provider was key to developing a comprehensive backup plan, safeguarding against potential access issues to the meeting platform, which utilized Remote Participation and Electronic Voting (RPEV) facilities. Management actively addressed live queries submitted during the meetings, and the Chairman made certain that members had the opportunity to pose questions in real-time via typed submissions, with the Board and Senior Management providing thoughtful responses.</p>
Explanation for departure :	

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

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The minutes of the general meetings were published on the Company's website no later than thirty (30) business days after the meeting. A copy each of the AGM and EGM minutes were published on the Company's website at www.magma.my
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT
CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

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

N/A
