

# Corporate Governance Overview Statement

The Board of Directors (the “**Board**”) of Sealink International Berhad (“**Sealink**” or the “**Company**”) recognises the importance of adopting and continuously maintaining high standards corporate governance throughout Sealink and its subsidiaries (the “**Group**”) so that the affairs of the Group are conducted with integrity, transparency and professionalism with the objective of enhancing business success, safeguarding shareholders’ investment, enhancing shareholders’ value as well as the interests of other stakeholders.

This Corporate Governance (“**CG**”) Overview Statement (the “**Statement**”) provides the summary of the corporate governance practices adopted by the Company during the financial year ended 31 December 2023 (“**FYE 2023**”) with reference to the following three (3) principles as set out in the Malaysian Code on Corporate Governance 2021 (“**MCCG**”).

- (a) Principle A: Board Leadership and Effectiveness;
- (b) Principle B: Effective Audit and Risk Management; and
- (c) Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This Statement also serves as in compliance with Paragraph 15.25 of the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and it is to be read together with the Corporate Governance Report (“**CG Report**”) which is available on the Company’s website. The CG Report provides details explanations of how the Company has applied each Practice under the MCCG during the financial year taking into consideration the specific circumstances affecting the Company, including any alternatives measures to achieve the intended outcomes.

A copy of the CG Report is available for reference on the Company’s website at [www.asiasealink.com](http://www.asiasealink.com).

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

### PART 1 – BOARD RESPONSIBILITIES

#### 1.1 Board roles and responsibilities

##### *Board Charter*

The Board assumes responsibility for effective stewardship and control of the Company and has established terms of reference, in the form of Board Charter, to assist in the discharge of the Board’s fiduciary and leadership responsibilities in the pursuit of the best interest of the Group. In the Board Charter, the Board has established a formal schedule of matters reserved to the Board for its deliberation and decision in order to enhance the delineation of roles between the Board and Management, as well as to ensure the direction and control of the Group’s operation are in the Board’s hands.

The Board Charter together with the Terms of Reference of the Board Committees was last reviewed, revised and adopted by the Board on 12 April 2023 to align with the relevant best practices recommended under the MCCG. Amendments and updates are made from time to time in accordance with the needs of the Company to ensure its effectiveness and consistency with the Board’s objectives and corporate vision as well as to be in line with changes to statutory and regulatory requirement. The Board Charter is available for reference on the Company’s website at [www.asiasealink.com](http://www.asiasealink.com).

In the discharge of its fiduciary and stewardship role, the Board has assumed the following principal responsibilities in relation to the Company:

- together with Senior Management, promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;
- review, challenge and decide on Management’s proposals for the Company, and monitor its implementation by Management;

## Corporate Governance Overview Statement (cont'd)

### 1.1 Board roles and responsibilities (cont'd)

- ensure that the strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- oversee the conduct of the Group's businesses to evaluate and assess Management performance whether the businesses are being properly managed;
- ensure there is a sound framework for internal controls and risk management;
- understand the principal risks of the Group's businesses in recognition that business decisions involve the taking of appropriate risks;
- set the risk appetite within which the Board expects Management to operate, and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- ensure that Senior Management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of Board and Senior Management;
- ensure that the Company has in place procedures to enable effective communication with stakeholders;
- ensure that all its Directors are able to understand the financial statements and form a view on the information presented;
- ensure the integrity of the Group's financial and non-financial reporting;
- ensure highest standard of ethical conduct, integrity and accountability in all business activities and operations and this including adopting a zero tolerance policy towards any form of bribery and corruption;
- ensure the governance of sustainability in the Group which includes setting the Group's sustainability strategies, business plan, priorities and targets;
- approve the nomination, selection, succession policies, and remuneration packages for the Board members, Board Committee members, Nominee Directors on the functional Boards of the subsidiaries and Chief Executive Officer cum Managing Director and the annual manpower budget for the Group, including managing succession planning, appointing, training, fixing the compensation of, and where appropriate replacing Senior Management or key management personnel;
- review the adequacy and integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- approve the appointment of External Auditors and their related audit fees.; and
- overseeing the Group's adherence to high standards of conduct / ethics and corporate behaviour, including the Code of Ethics for Directors set out in the Board Charter.

### 1.2 Chairman of the Board

During the financial year under review, the Board is headed by the Non Independent Non-Executive Chairman who is not related with Executive Director ("ED").

The key duties and responsibilities of the Chairman are to provide leadership to the Board, instill good corporate governance practices, chairing and leading the meetings of the Board and shareholders, ensuring the Board fully discharges its responsibilities and managing the interface between the Board and Management. He ensures that Board members receive complete and accurate information and appropriate issues are discussed by the Board in a timely manner. As part of that role, Chairman ensures that no member dominates any discussion and appropriate discussions are taken place with relevant participation among the Board members allowing dissenting views to be freely expressed. Other roles of the Chairman include ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.

The Chairman of the Board is not a member of any Board Committees so as to ensure that the objectivity of the Chairman and the Board is not impaired when deliberating on observations and recommendation put forth by the Board Committees.

## Corporate Governance Overview Statement (cont'd)

### 1.3 Separation of Functions between the Chairman and Chief Executive Officer (“CEO”)/Executive Director (“ED”)

The roles of the Chairman and the CEO are held by different individuals. There is a clear division of responsibilities between the Chairman and the CEO to ensure a balance of power and authority in the Board. The Chairman is responsible for Board effectiveness and for ensuring that the conduct and working of the Board are in an orderly and effective manner, while the ED takes on the primary responsibility of managing the Group's businesses and resources, as well as overseeing and managing the day-to-day operations of the Group.

### 1.4 Qualified and competent Company Secretary

The Company Secretary of Sealink, Madam Yeo Puay Huang has the requisite credentials and is competent and suitably qualified to act as Company Secretary under Section 235(2) (b) of the Companies Act 2016 (“the Act”) and holds the practicing license issued by Companies Commission of Malaysia. She has over forty (40) years of experience in corporate secretarial practices.

The Company Secretary plays an advisory roles for the Board in relation to the Company's constitution, the Board's policies and procedures, and compliance with relevant regulatory requirements, codes or guidance and legislation. The Board is regularly updated and kept informed of the latest developments in the legislation and regulatory framework affecting the Group and are advised on the proposed contents and timing of material announcements to be made to regulatory authorities. Additionally, the Company Secretary attends all Board and Board Committees meetings and ensures that meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained accordingly at the registered office of the Company.

The Company Secretary constantly keeps abreast of the evolving regulatory changes and developments in Corporate Governance through attendance at relevant conferences and training programmes.

### 1.5 Access to information and advice

All the Directors have access to all information within the Group and may seek the advice of management on matters under discussion or request further information on the Group's business activities, including access to the Company's auditors and consultants, relevant to furtherance of their duties and responsibilities as Directors of the Company. The Board is supplied with relevant information and reports on financial, operational, corporate, regulatory, business development, and audit matters, by way of Board reports or upon specific requests, for decisions to be made on an informed basis and for an effective discharge of the Board's responsibilities.

Timely dissemination of meeting agenda, including the relevant Board and Board Committees papers to all Directors prior to the Board and Board Committees meetings respectively to give effect to Board and Board Committees members to make decisions and to deal with matters arising from such meetings, is observed.

Senior Management of the Group and external advisers are invited to attend Board and/or Board Committee meetings to provide additional insights and professional views, advice and explanations on specific items on the meeting agenda. Besides direct access to Management, Directors may obtain independent professional advice at the Company's expense, if considered necessary, in furtherance of their duties. This procedure is formalised in the Company's Board Charter.

## Corporate Governance Overview Statement (cont'd)

### 1.6 Board Committees

To assist in the discharge of its stewardship role, the Board has established Board Committees, namely Audit Committee ("AC"), Nominating Committee ("NC"), Remuneration Committee ("RC"), Risk Management Committee ("RMC") and Sustainability Committee ("SC"), to examine specific issues within their respective Terms of Reference, and for them to report to the Board their recommendations. The ultimate responsibility for decision making, however lies with the Board. Although specific power are delegated to the Board Committees, the Board continues to keep itself abreast of the actions and decisions taken by each Board Committee, including key issues via reports by the Chairman of each Board Committee, as well as tabling the minutes of all Board Committees' meetings, to the Board at all Board's meetings.

Each Board Committee operates its functions within the Terms of References approved by the Board which are reviewed by the Board annually to ensure that they are relevant and updated with other related policies of regulatory requirements. The Terms of Reference of each Board Committee are contained in the Board Charter which is available for reference on the Company's website at [www.asiasealink.com](http://www.asiasealink.com).

### 1.7 Code of Conduct / Ethics Policy

The Board is committed to conducting business in accordance with the highest standards of business ethics and complying with applicable laws, rules and regulations. The Code of Conduct/Ethics Policy setting out the standards of conduct expected from Directors and employees, to engender good corporate behaviour. The Board Charter sets out a Code of Ethics to be observed by Directors. As for the conduct of employees, the Board has formalised an Employee Handbook to be observed by all employees across the Group.

The Code of Conduct is available for reference on the Company's website at [www.asiasealink.com](http://www.asiasealink.com).

### 1.8 Directors' Fit and Proper Policy

The Directors' Fit and Proper Policy was first formulated and adopted by the Board on 31 May 2022 and then was last reviewed, revised and adopted by the Board on 28 February 2024. This Directors' Fit and Proper Policy sets out the approach, guidelines and procedures to ensure a formal and transparent process is being adhered to the new appointment, re-appointment and/or re-election of the Directors of the Company.

The Directors' Fit and Proper Policy is available for reference at the Company's website at [www.asiasealink.com](http://www.asiasealink.com).

### 1.9 Whistleblower Policy

The Board has also adopted the Whistleblower Policy which outlines when, how and to whom a concern may be properly raised about the actual or potential corporate fraud or breach of regulatory requirements involving employees, Management or Directors in the Group and to enable prompt corrective actions and measures to resolve them effectively.

All disclosures shall be made to the Chairman of AC and the disclosures can be made in writing, orally, via electronic mail ("email") or short messaging system. Upon making a disclosure in good faith, based on reasonable ground and in accordance with the procedures set out therein the Whistleblower Policy, the whistleblower shall be protected from reprisal within the Group as a direct consequence of his/her disclosure and the identity will be protected.

The Whistleblower Policy was last reviewed, revised and adopted by the Board on 12 April 2023. The Whistleblower Policy shall be reviewed, as needed and maybe amended from time to time, as deemed necessary by the Board, to ensure its relevance and effectiveness in keeping with the Group's business environment, administrative or operational needs and/or comply with the applicable laws and regulations.

The Whistleblower Policy is available for reference on the Company's website at [www.asiasealink.com](http://www.asiasealink.com).

## Corporate Governance Overview Statement (cont'd)

### 1.10 Anti-Bribery & Corruption Policy

The Group has adopted a zero tolerance approach against all forms of bribery and corruption and takes strong stance against such act by implementing the Anti-Bribery and Corruption Policy ("ABC Policy") as in compliance with Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 ("MACC Act"). This ABC Policy sets out the Group's stand on bribery in all its forms and matters of corruption that might confront the Group in its day-to-day operations. The adoption of this ABC Policy signaled commitment by the Board and the Group to conduct all business in an honest and ethical manner requiring all the Directors and employees to act professionally, fairly and with integrity in all business dealings and relationships. This ABC Policy was first formulated and adopted by the Board on 30 June 2020 and then was last reviewed, revised and adopted by the Board on 28 February 2023.

The Company had also conducted briefings and training for all employees of the Group to create awareness of the ABC Policy to foster the commitment of the employees to instil the spirit of integrity and avoid all forms of corruption practices within the organisation.

The ABC Policy sets out adequate procedures designed to prevent situations in which bribery and corrupt practices may take root and is available for reference on the Company's website at [www.asiasealink.com](http://www.asiasealink.com).

### 1.11 Promote Sustainability

The Group is committed to promoting sustainability in its business operations and continually improving the integration of sustainability into the working environment and business processes by considering the impact on the environment, social and governance. The Company strives to achieve a sustainable long-term balance between meeting its business goals and compliance to with relevant environmental and related legislation, improving the welfare of its employees as well as ensuring a safe and healthy working environment.

The Board has established a Sustainability Policy to demonstrate its commitment to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness. The Sustainability Policy is available for reference on the Company's website at [www.asiasealink.com](http://www.asiasealink.com).

## PART 2 – BOARD COMPOSITION

### 2.1 Composition of the Board

As at the date of this Statement, the Board consists of five (5) members, comprising of one (1) Executive Director, two (2) Independent Directors and two (2) Non-Independent Directors, as follows, which complies with Paragraph 15.02 of the MMLR of Bursa Malaysia which requires at least two (2) directors or one-third (1/3) of the Board, whichever is higher, to be independent.

No.	Names of Directors	Designation
1.	Wong Chie Bin*	Non-Independent Non-Executive Chairman
2.	Yong Kiam Sam	Chief Executive Officer cum Managing Director
3.	Toh Kian Sing**	Non-Independent Executive Director
4.	Yong Nyet Yun	Non-Independent Non-Executive Director
5.	Eric Khoo Chuan Syn @ Khoo Chuan Syn	Independent Non-Executive Director

\* Re-designated as Non-Independent Non-Executive Chairman of the Company on 28 February 2023

\*\* Re-designated as Non-Independent Non-Executive Director of the Company on 28 February 2023

## Corporate Governance Overview Statement (cont'd)

### 2.1 Composition of the Board (cont'd)

The detailed profile of each Director is disclosed in the Profile of Directors of this Annual Report.

The Board acknowledges that the current composition of the Board does not meet the recommendation of Practice 5.2 of the MCCG, which requires at least half of the Board comprises Independent Directors. Nonetheless, the Board recognises the importance of independence and objectivity of Independent Director as they bring in objective and independent views, advice, judgment on interest not only of the Group but also of shareholders, employees, customers, suppliers, and other communities in which the Group conducts its business. The Board and NC will continue to assess and address the matter of increasing the number on Independent Directors.

Based on an assessment of its skills matrix, the Board is of the view that the Directors, with their different backgrounds and specialisations, collectively bring with them a wide range of experience and expertise in areas such as finance; accounting and audit; corporate affairs; legal; and marketing and operations, which are considered adequate for the Group's needs.

The Non-Independent Non-Executive Chairman is primarily responsible for the leadership and management of the Board, ensuring the Board and Board Committees execute their responsibilities in the best interest of the Company.

The CEO/ED is responsible for the effective implementation of the Company's strategic plan and policies established by the Board besides managing the daily operations of the Company.

The Independent Non-Executive Directors ("INED") provide the relevant checks and balance by reviewing the Group's performance against budget and inquiring from the CEO/ED as well as Senior Management personnel explanations, as needed, at scheduled Board and Board Committees meetings.

### 2.2 Tenure of Independence Director

The INED plays a pivotal role in incorporating accountability as they provide unbiased and independent views, advice and judgement, ensuring a balanced and impartial Board decision making process as well as safeguarding the interests of other parties, such as minority shareholders. In view of this recommendation, NC has developed criteria to assess the independence of these directors on an annual basis.

The Company's Board Charter provides a limit of cumulative term of nine (9) years on the tenure of an INED. Upon completion of nine (9) years, an INED may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director. In the event, the Board intends to retain the INED who has served the Company exceeding a cumulative term of nine (9) years, the Board will need to justify and seek shareholders' approval at the Annual General Meeting ("AGM") through a two-tier voting process in accordance to MCCG.

In early 2023, two (2) Independent Non-Executive Directors, namely Mr Wong Chie Bin and Mr Toh Kian Sing have served the Company for more than twelve (12) years, the Board approved the recommendation of NC to re-designate their position from Independent Non-Executive Directors to Non-Independent Non-Executive Chairman and Non-Independent Non-Executive Director, respectively. Both of them posed the relevant skill, experience and knowledge and have effectively discharged their stewardship responsibilities to meet the Group's needs. They have exercised their professional duties in the best interest of the Group.

## Corporate Governance Overview Statement (cont'd)

### 2.3 Diversity

The Board encourages a dynamic and diverse composition by nurturing suitable and potential candidates equipped with competency, skills, experience, character, time commitment, integrity and other qualities in meeting the future needs of the Company.

The Board had established the Board Diversity Policy where the Board affirms its commitment to Board diversity. The Board believes that a truly diversified Board can enhance its effectiveness, creativity and capacity to thrive in good times and weather tough times. The Board works to ensure that there is no discrimination on the basis of, but not limited to, ethnicity, race, age, gender, nationality, political affiliation, religious affiliation, marital status and educational background.

The Gender Diversity Policy was first formulated and adopted by the Board on 22 February 2022 and then was last reviewed, revised and adopted by the Board on 28 February 2024. This Gender Diversity Policy sets out the focus on supporting the representation of women in the composition of Board of the Company. The Gender Diversity Policy is available for reference at the Company's website at [www.asiasealink.com](http://www.asiasealink.com).

The Board had one (1) female Director since 2022 and her presence complies with the MMLR of Bursa Malaysia which in line with Paragraph 15.02(1)(b), one (1) director of a listed issuer is a woman.

Currently, the Board comprises one (1) female Director out of five (5) Directors, which is equivalent to 20% women representation on the Board. The Board will evaluate and match the criteria of the potential candidate as well as consider the appointment of more female directors onto the Board in the future to bring more diverse perspective.

### 2.4 Board Commitment

#### (i) Board and Board Committees Meeting

The Directors have demonstrated their ability to devote sufficient time and commitment to their roles and responsibilities as Directors of the Company. Board meetings are scheduled ahead to enable the Directors to plan and adjust their schedule to ensure good attendance and expected degree of attention to the meeting agenda.

At the quarterly Board meetings, the Board reviews the business performance of the Group and discusses major strategic, operational, compliance and financial issues. The Chairman of each Board Committee briefs the Directors at each Board meeting on the salient matters deliberated by each Board Committee and which require the Board's attention or direction, including approval, as the case may be. All pertinent issues discussed at Board meetings in arriving at decisions and conclusions are properly recorded by the Company Secretary by way of minutes of meetings, which are confirmed by the Chairman at the next meeting.

The details of attendance by each of the Directors of the following meetings held during the financial year are:

Names of Directors	Attendance of Meetings					
	Board	NC	RC	AC	RMC	SC
Wong Chie Bin	5/5	-	-	-	-	-
Yong Kiam Sam	5/5	-	-	-	1/1	1/1
Toh Kian Sing	4/5	2/2	1/1	4/5	-	-
Yong Nyet Yun	5/5	2/2	1/1	5/5	1/1	1/1
Eric Khoo Chuan Syn @ Khoo Chuan Syn	5/5	2/2	1/1	5/5	1/1	1/1



## Corporate Governance Overview Statement (cont'd)

### 2.4 Board Commitment (cont'd)

#### (ii) Directors' Training and Education Programmes

The Directors are mindful that they should continue to attend training programs to enhance their skills and knowledge where relevant, as well as to keep abreast with the changing regulatory and corporate governance developments.

All Directors appointed to the Board had undergone the Mandatory Accreditation Programme prescribed by Bursa Malaysia. Although the Board does not have a policy requiring each Directors to attend a specific number and types of training sessions each year, the Directors are encouraged to attend continuous education programmes/seminars/conferences and shall as such receive further training from time to time to keep themselves abreast of the latest developments in statutory laws, regulations and best practices, where appropriate, in line with the changing business environment and enhance their business acumen and professionalism in discharging their duties to the Group. The Directors have also been constantly updated with relevant reading materials and technical updates, which enhance their knowledge and equip them with the necessary skills to effectively discharge their duties as Directors of the Company.

Details of the training programmes/forum/seminars/conferences attended/participated by Directors of the Company for the financial year under review and up to the date of this Statement are as follows:

Names of Directors	Training topics
Wong Chie Bin	<ul style="list-style-type: none"> <li>• Crowe Malaysia PLT: Preference Shares &amp; Biological Assets Training (Internal Training, Kuching)</li> <li>• LHDN: Seminar Percukaian Kebangsaan 2022 (Bajet 2023)</li> <li>• MIA: MFRS 16 Case Studies</li> <li>• CTIM: National Tax Conference 2023</li> <li>• MIA: Financial Instruments Reporting Essentials-With case study illustrations</li> <li>• MIA: ISA 570 (Revised) On Going Concern-Assessment &amp; Evaluation</li> <li>• LHDN: Seminar Percukaian Kebangsaan 2023 (Bajet 2024)</li> <li>• Suruhanjaya Koperasi Malaysia</li> <li>• Persidangan Juruaudit Koperasi 2023</li> </ul>
Yong Kiam Sam	<ul style="list-style-type: none"> <li>• Indonesia Marine &amp; Offshore Expo</li> <li>• Asia OSJ Conference 2023</li> <li>• World Offshore Week</li> <li>• Oil &amp; Gas Thailand 2023</li> </ul>
Toh Kian Sing	<ul style="list-style-type: none"> <li>• Refund Guarantee Webinar with Jin Saibo</li> <li>• 2022 Annual Survey and Letter of Credit Law Summit in Singapore organised by Institute of International Banking Law &amp; Practice, Inc.</li> <li>• Course: Mandatory Takeovers in Asia: A Comparative Analysis ADM YIR Webinar Lecture organised by Supreme Court</li> <li>• Course: Insolvency &amp; Cryptocurrencies</li> </ul>



## Corporate Governance Overview Statement (cont'd)

### 2.4 Board Commitment (cont'd)

#### (ii) Directors' Training and Education Programmes (cont'd)

Name of Director	Training topics
Yong Nyet Yun	<ul style="list-style-type: none"> <li>• Seminar Percukaian Kebangsaan 2022 (Bajet 2023)</li> <li>• National Tax Conference 2023 (Virtual)</li> <li>• SSM Webinar: Resolving Boardroom and Shareholders Disputes (Virtual Platform)</li> <li>• Bursa Malaysia: Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers</li> <li>• Bursa Malaysia: Management of Cyber Risk</li> <li>• LHDN: National Tax Seminar 2023 (Budget 2024)</li> <li>• MIA: Directors' Interest in Contracts and Conflict of interests</li> </ul>
Eric Khoo Chuan Syn @ Khoo Chuan Syn	<ul style="list-style-type: none"> <li>• LHDN: Seminar Percukaian Kebangsaan 2023</li> </ul>

### 2.5 Nominating Committee

As at the date of this Statement, the NC comprised exclusively of Non-Executive Directors, the majority of whom are Independent, as follows:

Chairman	:	Eric Khoo Chuan Syn @ Khoo Chuan Syn	- Independent Non-Executive Director
Members	:	Yong Nyet Yun	- Independent Non-Executive Director
		Toh Kian Sing	- Non-Independent Non-Executive Director

The key objective of the NC is to oversee the selection and assessment process of Directors of the Board, ensuring that nominations to Board and Board Committees are fair and transparent having regards to the competence, experience, character, integrity and time commitment of the Directors.

The NC is primarily responsible for identifying and recommending suitable appointments to the Board. The NC also assesses the effectiveness of the Board as a whole, the Board Committees and the contribution of each Director.

The NC has carried out the following activities within its Terms of Reference and reported the outcome to the Board:

- discussed the search for a Board Chairman and female Director;
- reviewed training undertaken by Directors as well as those training that are available for Directors for the ensuing year;
- reviewed the Board's succession plans in order to ensure that there are appropriate plan in place to fill vacancies and to meet the Group's future needs;
- reviewed and discussed the existing Board Diversity Policy;
- reviewed and discussed the revised Gender Diversity Policy;
- reviewed and discussed the revised Directors' Fit and Proper Policy;
- reviewed and assessed the change of composition of the Board Committees, namely AC, NC, RC, RMC and SC;
- reviewed and assessed the independence of Independent Directors and tenure of service;
- reviewed and recommended to the Board to put forth the proposal for the re-election of directors at the forthcoming AGM;

## Corporate Governance Overview Statement (cont'd)

### 2.5 Nominating Committee (cont'd)

- reviewed and recommended to the Board to put forth the proposal for the retention of Mr Eric Khoo Chuan Syn @ Khoo Chuan Syn as INED at the forthcoming AGM;
- reviewed the terms of office and performance of the AC and each member of the AC to determine whether AC and its members have carried out their duties in accordance with the Terms of Reference of AC;
- reviewed and assessed the individual Director, overall Board and its Board Committees performance and effectiveness as a whole;
- reviewed the composition of the Board based on its required mix of skills, experience and other qualities which are considered important by the Board;
- reviewed and assessed the Board Committees in terms of size, structure and composition for compliance with the provisions of the relevant guidelines and regulations;
- reviewed and assessed the Key Senior Managements;
- reviewed and recommended the re-designation of Mr Wong Chie Bin as Non-Independent Non-Executive Chairman; and
- reviewed and recommended the re-designation of Mr Toh Kian Sing as Non-Independent Non-Executive Director.

### 2.6 Appointment to the Board and Re-election of Directors

The NC practices a clear and transparent nomination process which includes the identification of candidates, evaluation of suitability of candidates, deliberation by NC and recommendation to the Board. The final decision on the appointment of a candidate recommended by the NC rests with the whole Board.

The Company's Constitution provides that an election of Directors shall take place each year and, at the AGM, one-third (1/3) of the Directors for the time being or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election. All the Directors shall retire from office at least once every three (3) years but shall be eligible for re-election. The Directors to retire in each year shall be those who have been longest in office since their last election. A retiring Director shall be eligible for re-election.

The Director who is subject to re-election and/or re-appointment at the next AGM is assessed by the NC before a recommendation is made to the Board and shareholders for re-election and/or reappointment. Appropriate assessments and recommendations by the NC are based on the annual assessment conducted.

During the year under review, the Board with the recommendation of NC, endorsed the following re-election of directors in accordance with the provisions of the Company's Constitution.

1. Mr Eric Khoo Chuan Syn @ Khoo Chuan Syn in accordance with Clause 118; and
2. Mr Toh Kian Sing in accordance with Clause 118.

Prior to recommending the re-election of the Directors, the NC reviewed the individual directors' performance based on the results of the Directors' Evaluation Form for FYE 2023 and the completed Directors' Declaration on Fit and Proper. The NC is of the opinion that the Directors have discharged their duties effectively and have provided valuable contributions to the leadership of the Group. Based on the satisfactory evaluation of the respective director's performance and contributions to the Board, the NC then recommended to the Board the re-election of directors at the forthcoming AGM. Upon the recommendation of the NC and the Board, the Directors who are standing for re-election and reappointment at the forthcoming AGM of the Company are as stated in the Notice of AGM.

## Corporate Governance Overview Statement (cont'd)

### 2.7 Annual Evaluation

For the FYE 2023, an annual assessment of the Board, Board Committees and contributions of each individual director is carried out by the NC, with the assistance of the Company Secretary, taking the forms of comprehensive evaluation questionnaires which provide the NC with an opportunity to score their opinion on a series of questions in relation to inter alia the execution and performance of the Board as a whole and the Board Committees.

The NC carries out evaluation of Board effectiveness in the areas of Board mix and composition, quality of information and decision making, boardroom activities, Board relationship with Management and also Environmental, Social and Governance (ESG) issues.

As for the performance evaluation of Board Committees, the NC assessed the performance of the AC, NC, RC, RMC and SC based on the recommended evaluation criteria adopted from Corporate Governance Guide issued by Bursa Malaysia which includes Committees' composition, contribution to the Board's decision making, and expertise in fulfilling their roles.

Based on the above assessments, the NC was satisfied with the existing Board composition as well as the mix of qualifications, skills and experience among the Board and Board Committees members and was of the view that all Directors and Board Committees had discharged their responsibilities in a commendable manner, acted competently, contributed effectively to the Board and demonstrated full commitment to their duties as Directors of the Company. The Board Committees were functioning effectively as a whole with a high level of compliance and integrity. All the Directors of the Company have complied with Paragraph 15.06 of the MMLR of Bursa Malaysia on the number of directorships held in public listed companies.

The results of the above assessment and comment by Directors are summarised before being tabled for review and discussion at the NC Meeting. Thereafter, the Chairman of NC would report on the results and deliberations to the Board. All assessments carried out by the NC in the discharge of all its functions were properly documented.

### 2.8 Annual Assessment of Independence

The Board recognises the importance of independence and objectivity in its decision making process. The presence of the INED is essential in providing unbiased and impartial opinions, advice and judgment to ensure the interests of the Group, shareholders, employees, customers and other communities where the Group conducts its businesses are well represented and taken into account.

NC has undertaken a review and assessment of the level of independence of the INED and based on the evaluation performed, the NC was satisfied with the level of independence as well as performance and contribution of each of the INEDs. The INEDs have also declared their independence under the annual Board evaluation process.

During the financial year under review, the NC had reviewed the tenure of each Director and the level of Independence of the INED. NC noted that one (1) Independent Director, namely Mr Eric Khoo Chuan Syn @ Khoo Chuan Syn has served the Company exceeding a cumulative term of nine (9) years. Therefore, NC recommended that approval of the shareholders be sought to retain Mr Eric Khoo Chuan Syn @ Khoo Chuan Syn as an INED through a two-tier voting process, as he has possessed the attributes necessary in discharging his role and function of Independent Director. He has exercised his professional duties in the best interest of the Group.

## Corporate Governance Overview Statement (cont'd)

### PART 3 – REMUNERATION

#### 3.1 Remuneration Committee

As at the date of this Statement, the RC comprised exclusively of Non-Executive Directors, the majority of whom are Independent, as follows:

Chairman	: Toh Kian Sing	- Non-Independent Non-Executive Director
Members	: Yong Nyet Yun	- Independent Non-Executive Director
	Eric Khoo Chuan Syn @ Khoo Chuan Syn	- Independent Non-Executive Director

The RC is entrusted by the Board to:

- establish a formal and transparent procedure for setting a policy on remuneration of ED and Senior Management and for fixing the remuneration packages of all Directors and Senior Management of the Group which takes into account the demands, complexities and performance of the Company as well as skills and experience required; and
- ensure that the levels of remuneration of Directors and Senior Management are commensurate with the qualifications, roles, responsibilities and that such levels of remuneration are sufficient to attract and retain the Directors and Senior Management but not excessive.

#### 3.2 Remuneration Policy and Procedures

The Remuneration Policy and Procedures was last reviewed, revised and adopted on 22 February 2022, to facilitate the RC to review, consider and recommend to the Board for decision on the Directors' remuneration. The RC recommends to the Board the remuneration of ED, largely based on his performance and also the Group's performance. In the case of Independent Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the Independent Directors concerned. In all instances, the deliberations are conducted with the Directors concerned abstaining from discussions on their individual remuneration.

The Remuneration Policy and Procedures is available for reference on the Company's website at [www.asiasealink.com](http://www.asiasealink.com).

#### 3.3 Remuneration of Directors

Details of Directors' remuneration (including benefits-in-kind) for each Director during the FYE 2023 are as follows:

	Directors' Fee		Group Basic Salary (RM)	Group Other Emoluments (RM)	Total (RM)
	Company (RM)	Subsidiaries (RM)			
<b>Executive Director</b>					
Yong Kiam Sam	22,000	-	657,467	234,685	914,152
<b>Non-Executive Director</b>					
Wong Chie Bin	88,000	-	-	-	88,000
Toh Kian Sing	70,000	-	-	-	70,000
Yong Nyet Yun	75,000	-	-	-	75,000
Eric Khoo Chuan Syn @ Khoo Chuan Syn	70,000	-	-	-	70,000

## Corporate Governance Overview Statement (cont'd)

### 3.4 Remuneration Senior Management

The Company notes the need for transparency in the disclosure of its key Senior Management remuneration, the Company is of the opinion that the disclosure of remuneration details may not be in the best interest of the Company, given the competitive landscape for key personnel with requisite knowledge, technical expertise and working experience in the Company's business activities, where intense headhunting is a common industry challenge. Accordingly, such disclosure of specific remuneration information may give rise to recruitment and talent retention issues.

The Board ensures that the remuneration of Senior Management is commensurate with the performance of the Company. Excessive remuneration payouts are not made to Senior Management personnels in any instance.

The disclosure of the remuneration of the top Senior Management of the Company is currently made on an aggregate basis in the employee benefits expense note to the accounts and is available on page 102 of the Annual Report 2023.

## PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

### PART 1 – AUDIT COMMITTEE

The AC plays an important role in assisting the Board in discharging its governance responsibilities which includes financial reporting and maintaining a sound risk management, internal control and governance system. The AC is relied upon by the Board to, amongst others, provide advice in the area of financial reporting, external audit, internal control environment and internal audit process, review of related party transactions as well as conflict of interest situation.

The Board through the AC endeavors to provide a clear, balanced and meaningful assessment of the Group's financial performance and prospects, through the audited financial statements and quarterly financial reports, and corporate announcements on significant developments affecting the Group in accordance with the MMLR of Bursa Malaysia.

The Board through the AC is also responsible to ensure that audited financial statements are prepared in accordance with the provisions of the Act and the applicable financial reporting standards in Malaysia. The statements of Directors' responsibility in respect of the audited financial statements is presented in the Section of Directors' Responsibility Statement for the Audited Financial Statements in this Annual Report.

The AC comprises a majority of Independent Directors who are financially literate. The Chairman of the AC is an Independent Non-Executive Director and is not Chairman of the Board. A full AC Report detailing its composition, and a summary of activities and work during the financial year are set out in Audit Committee Report in this Annual Report.

Currently, none of the members of AC were former key audit partner. The AC has in place a policy that requires a former key partner to observe a cooling-off period of at least three (3) years before being appointed as a member of AC. The Policy had been codified in the Terms of Reference of AC of the Company.

The Board maintains a transparent and professional relationship with the External Auditors through AC. The AC invites External Auditors to attend its meeting at least twice a year to discuss their audit plan and audit progress update on the Group's financial statements. The External Auditors would share with the AC on any significant issues on the audited financial statements and regulatory updates. In addition, the AC will also have a private meeting with the External Auditors without the presence of the executive management team to enable exchange of view on any issues requiring attention. The AC is empowered by the Board to review any matters concerning the appointment, re-appointment, resignations and dismissal of the External Auditors and review and evaluate factors relating to the independence of the External Auditors. The Policies and Procedures to assess the Suitability, Objectivity and Independence of External Auditors was last reviewed, revised and adopted by the Board on 28 February 2024. The said Policy aims to outline the guidelines and procedures for AC to review, assess and monitor the performance, suitability and independence of the External Auditors.

## Corporate Governance Overview Statement (cont'd)

### PART 1 – AUDIT COMMITTEE (cont'd)

As part of the AC's review processes, the AC has obtained assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

Based on the AC's assessment of Messrs. Grant Thornton Malaysia PLT, the External Auditors, the Board is satisfied with the independence, quality of service and adequacy of resources provided by the External Auditors in carrying out the annual audit for the FYE 2023. In view thereof, the Board has recommended the re-appointment of the External Auditors for the approval of shareholders at the forthcoming AGM.

### PART II – RISK MANAGEMENT COMMITTEE

As at the date of this Statement, the RMC members are as follows:

Chairman	: Yong Kiam Sam	- Non-Independent Executive Director
Members	: Yong Nyet Yun	- Independent Non-Executive Director
	Eric Khoo Chuan Syn @ Khoo Chuan Syn	- Independent Non-Executive Director

The RMC established by the Board with specific Terms of Reference, comprises the majority of Independent Directors and chaired by ED.

RMC which is entrusted to formalise a risk management process to identify, evaluate, control, report and monitor significant risks faced by the Group. Periodic reporting of risks identified and evaluated, which are scored for their likelihood of occurrence and the impact thereof based on pre-set risk measuring metrics, including mitigating measures, is made to the AC as part of a holistic approach on risk management, to develop a comprehensive Enterprise Risk Framework to enhance the Group's existing risk management activities and initiatives. The risk owner presents the updated risk register to the Group Risk Coordinator, and thereafter to the RMC for review on annual basis. The risk owner, which consists of the head of departments, are responsible for identifying, assessing, monitoring, and mitigating risks that can impact management's processes and functions. RMC will table the report on risk assessment which includes the top five significant risks, control issues, and summary of risk assessment to the AC for further deliberation.

The internal audit function of the Group is outsourced to an independent professional firm, namely KPMG Management & Risk Consulting Sdn. Bhd. [Registration No. 198601000916 (150059-H)], who undertakes regular reviews of the adequacy and operating effectiveness of the Group's system of internal controls. The internal audit function reports directly to the AC.

Further details of the internal audit function are provided in the Statement on Risk Management and Internal Control and is available on pages 21 to 24 of the Annual Report 2023.