

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7214
COMPANY NAME : A-RANK BERHAD
FINANCIAL YEAR : July 31, 2021

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	: Applied
Explanation on application of the practice	<p>The Board of Directors ("Board") of A-Rank Berhad ("Company") leads and manages the Company and its subsidiaries ("Group") in line with the Group's vision and missions, implementing plans to achieve business goals and supervising the conduct of the Group's overall business.</p> <p>The roles and responsibilities of the Board have been clearly enumerated in the Board Charter. The Board provides effective leadership and manages overall control of the Group's affairs through the discharge of the following principal duties and responsibilities:</p> <ul style="list-style-type: none">• review and approve strategies, business plans and significant policies and monitor management's performance in implementing them;• oversee and evaluate the conduct and performance of the Group;• review the adequacy and integrity of the Group's internal control systems and management information systems which include appropriately sound framework/systems of reporting and to ensure regulatory compliance with the applicable laws, regulations, rules, directives and guidelines;• review the risk management guidelines, procedures and standards to ensure they provide effective governance of the Group's risk taking activities;• delegates certain responsibilities to the various Board Committees with clearly defined terms of reference to assist the Board in discharging its responsibilities;• overseeing the development and implementation of a Corporate Disclosure Policy for the Company; and• succession planning for the Board and Senior Management, including the implementation of appropriate systems for recruiting, training, determining the appropriate compensation benefits and where necessary replacing any member of the Senior Management.

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 1.2

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>The Board is helmed by Dato' Shahrir Bin Abdul Jalil, the Chairman of the Company, who was appointed to the Board on 11 March 2005.</p> <p>The full profile of Dato' Shahrir Bin Abdul Jalil is available in the Profile of Directors of the Annual Report.</p> <p>The main responsibilities of the Chairman include the following:</p> <ul style="list-style-type: none"> • representing the Board to shareholders; • chairing Board meetings and Shareholders' General Meeting; • assisting in Board discussions to key issues facing by the Group; • arranging regular evaluation of the performance of the Board, its Committees and individual Directors; • ensuring effective communication with shareholders and relevant stakeholders; • providing appropriate leadership to the board and the Group; and • performing other responsibilities assigned by the Board from time to time.
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>A-Rank does not have a Chief Executive Officer however the Managing Director is responsible to communicate and execute the Group's strategic plan, which is aimed at achieving business growth, developing people and promoting good governance for a sustainable business.</p> <p>The positions of Chairman and Managing Director of the Company are held by two separate individuals to ensure there is a proper balance of power and authority. Each of them has clearly defined duties and authority thus ensuring balance of power and greater capacity for independent decision making. The roles of Chairman and Managing Director are clearly defined in the Board Charter.</p> <p>The Chairman of the Company is Dato' Shahrir Bin Abdul Jalil and the Managing Director of the Company is Mr Tan Wan Lay. Both of them were appointed to the Board of the Company on 11 March 2005.</p> <p>The full profile of Dato' Shahrir Bin Abdul Jalil and Mr Tan Wan Lay are available in the Profile of Directors of the 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

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

Practice 1.4

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

Application	: Applied
Explanation on application of the practice	<p>The Board is supported by two (2) outsourced Company Secretaries namely:</p> <ul style="list-style-type: none">• Wong Wai Foong [SSM PC No. 202008001472 (MAICSA 7001358)]• Tan Hsiao Yuen [SSM PC No. 201908002342 (MAICSA 7056952)] <p>Both Company Secretaries are registered with Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and they are also qualified under the Companies Act 2016.</p> <p>The main roles of a Company Secretary include the following:</p> <ul style="list-style-type: none">• ensuring that Board procedures and applicable rules are observed;• maintaining records of the Board and ensure effective management of the Company's statutory records;• preparing comprehensive minutes to document Board proceedings and the deliberation, in terms of the issues discussed, and the conclusion thereof, in discharging its duties and responsibilities;• carrying out other functions as deemed appropriate by the Board from time to time;• timely dissemination of information relevant to Directors' roles and functions and keeping them updated on new or evolving regulatory requirements; and• advise Directors of their obligations to adhere to matters relating to disclosure of interest in securities and conflict of interest in a transaction involving the Company; prohibition on dealing in securities during closed period and restrictions on disclosure of price-sensitive information. <p>The Board is satisfied with the performance and support rendered by the Company Secretaries in assisting the Board in the discharge of their duties.</p> <p>The Company Secretaries have constantly keep themselves abreast of the regulatory changes and developments in corporate governance through attendance at relevant conferences and training programme.</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

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>To facilitate the Directors' time planning, the annual meeting calendar is prepared and circulated in advance of each new year. The calendar provides Directors with scheduled dates for meetings of the Board and Board Committees, as well as the closed periods for dealings in securities by Directors based on the targeted dates of announcements of the Group's quarterly results.</p> <p>All Directors are provided with Board papers at least five (5) business days before Board meetings to enable them to review and consider the agenda items to be discussed and decided during meetings.</p> <p>The Board papers contain relevant information and justifications for each proposal for which Board's approval is sought. Where necessary, the Management and external advisers are invited to attend these meetings to provide additional insights and professional views on specific items on the agenda.</p> <p>The deliberations and decisions at Board and Board Committee meetings are well documented in the minutes, including matters where Directors abstained from voting and deliberation. Minutes of the Board and Board Committee meetings are circulated to Directors for their review prior to confirmation of the minutes at the following Board and Board Committee meetings. The Directors may request for further clarification or raise comments on the minutes prior to confirmation of the minutes. Minutes of Board Committee meetings will also be tabled for Board's notation after confirmation by the respective 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

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board Charter provides guidance for Directors on the responsibilities of the Board, its committees and requirements of Directors and is subject to periodical review to ensure consistency with the Board’s strategic intent as well as relevant standards of corporate governance.</p> <p>The Board Charter outlines amongst others, the following:</p> <ul style="list-style-type: none"> • Roles and Responsibilities of the Board; • Formal Schedule of Matters Reserved for the Board’s Decision; • Board’s Structure; • Clear Functions of the Board and Management; • Role of the Chairman, Managing Director and Executive Director; • Independent Directors; • Board’s Committees; • Board’s performance evaluation; and • Declaration of interest/conflicts of interest. <p>The Board has delegated certain responsibilities to the Board Committees namely, Audit Committee, Nomination Committee, Remuneration Committee and Employee Share Option Scheme Committee, which operate within approved Terms of Reference. The Board Charter and the Terms of Reference of Board Committees are periodically reviewed to ensure consistency with the needs of the Company as well as the latest applicable laws, rules or regulations.</p> <p>The Board Charter was last reviewed by the Board on 29 September 2021 and uploaded on the Company’s website at www.arank.com.my.</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

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has put in place a Code of Conduct and Ethics ("Code") for the Directors and employees. This Code includes managing conflicts of interest, preventing the abuse of power, corruption, insider trading, money laundering, sexual harassment and others, set the tone at the top, uphold the law, avoid conflicts of interest and report results accurately.</p> <p>In order to comply with Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018), the Company has engaged a consultant and adopted the Group's Anti-Bribery and Corruption Management System comprising policies and procedures as well as a compliance, monitoring and reporting framework.</p> <p>The Anti-Bribery and Corruption Policy was approved by the Board on 9 December 2020.</p> <p>Both the Code and Anti-Bribery and Corruption Policy are published on the Company's website at www.arank.com.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

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has adopted a Whistle-Blowing Policy on 15 June 2017 for all employees, vendors, customers, contractors, consultants and stakeholders to raise concerns, without fear of reprisal and to safeguard their confidentiality, about possible improprieties on matters pertaining to financial reporting, compliance, malpractices and unethical business conduct within the Group.</p> <p>This Policy is designed with the objectives to:</p> <ul style="list-style-type: none">(a) develop and maintain a high standard of corporate governance and business integrity;(b) serve as an internal platform for Directors and employees to report or disclose information of malpractice or any wrongdoings; and(c) provide a transparent and confidential process for dealing with concerns. <p>Any employee or stakeholder who is aware that any improper conduct has been, is being, or is likely to be committed, is encouraged to report directly to Mr Gan Choon Sun, Executive Director or Mr Tan Wan Lay, Managing Director. In the case where the matter involves Director or the matter is serious and require the attention of higher level of authority, the employee can report the matter directly to the Audit Committee Chairman.</p> <p>During the year, no report had been received pertaining to any misconduct from employees, management, public or stakeholders.</p> <p>Whistle-Blowing Policy is published on the Company's website at www.arank.com.my.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.1

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board of the Company comprises nine (9) Directors which are made up of four (4) Independent Directors and five (5) Non-Independent Directors. The Board members, with their diverse backgrounds, bring with them a wide range of competencies, disciplines and experiences to provide stewardship to the Group. The current Board composition present a diverse mix of qualifications and experiences covering business, operations, manufacturing, legal, accounting and engineering.</p> <p>Currently, the Chairman of the Board is an Independent Non-Executive Director.</p> <p>The composition of the Board complies with the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) that at least one-third ($\frac{1}{3}$) of the Board consists of Independent Directors. The Board is of the view that the current composition of the Independent Directors is adequate for the Board to function objectively and effectively. There is a balance of power and authority in the Board as the Managing Director is responsible for the normal operations and business activities of the Group whilst the Independent Non-Executive Chairman and the Independent Non-Executive Directors ensure that the Board practices good governance in discharging their duties in compliance with the Malaysian Code on Corporate Governance (“MCCG”).</p> <p>The Board believes that there are adequate procedures to ensure that Board decisions are balance and effective. Decisions made are fully discussed and examined taking into account the long-term interest of the Group, shareholders, employees, customers and the many communities in which the Group conducts its business. In the event of any potential conflict of interest situation, it is mandatory practice for the Director concerned to declare his interest and abstain from the decision making process. In addition, Directors are also governed by a Code of Conduct and Ethics relating to, amongst others, conflicts of interest, protection of company assets and compliance to the law.</p> <p>Tuan Haji Ahmed Azhar Bin Abdullah has been appointed as the Senior Independent Non-Executive Director to whom any concerns pertaining to the Group may be conveyed as recommended by the MCCG.</p>

	The profiles of the Independent Directors are disclosed in the Profile of Directors of the Annual Report.	
<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 4.2

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

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

Application	:	Applied - Two Tier Voting
Explanation on application of the practice	:	<p>The Company sought shareholders' approval at the previous Annual General Meeting ("AGM") held on 9 December 2020 to retain all the Independent Directors namely, Dato' Shahrir Bin Abdul Jalil, Tuan Haji Ahmed Azhar Bin Abdullah, Dr Leong Chik Weng and Mr Wong Tze Kai who have served beyond nine (9) years.</p> <p>The Company had adopted two-tier voting process at the previous AGM for retaining Dato' Shahrir Bin Abdul Jalil, Tuan Haji Ahmed Azhar Bin Abdullah, Dr Leong Chik Weng and Mr Wong Tze Kai, who have served as Independent Directors beyond twelve (12) years.</p> <p>Based on the assessment conducted on the independence of the Company's Independent Directors for the financial year ended 31 July 2021, the Board is satisfied with the level of independence demonstrated by the Independent Directors and their ability to act in the best interest of the Group.</p> <p>The Board will seek for shareholders' approval at the forthcoming AGM to be held on 8 December 2021 for retaining all the Independent Directors of the Company and will adopt two-tier voting process for retaining Dato' Shahrir Bin Abdul Jalil, Tuan Haji Ahmed Azhar Bin Abdullah, Dr Leong Chik Weng and Mr Wong Tze Kai as Independent Directors who have served beyond twelve (12) years.</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

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

Practice 4.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 4.4

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has adopted a Boardroom and Senior Management Diversity Policy on 26 September 2018 and acknowledges the importance of diversity in terms of skills, experience, age, gender, cultural background and ethnicity. Having a range of diversity dimensions brings different perspectives to the boardroom and to various levels of Management within the Group.</p> <p>The Nomination Committee (“NC”) is responsible to recommend candidates to the Board to fill vacancy arising from resignation, retirement or other reasons or if there is a need to appoint additional Directors with the required skill or profession to the Board in order to close the competency gap in the Board identified by the NC. The potential candidate may be proposed by existing Directors, Senior Management, shareholders or third-party referrals. Upon receipt of the proposal, the NC is responsible to conduct an assessment and evaluation on the proposed candidate.</p> <p>Before any recommendation made to the Board, the NC will evaluate a candidate by considering the following factors:</p> <ul style="list-style-type: none">• age, ethnicity, gender, skill and expertise, working experience, industry knowledge, educational qualification, integrity, competence and characteristics;• willingness and ability to discharge effectively the duties as a director, including the number of directorships in other public listed companies currently held by the candidate;• able to devote sufficient time and energy to the performance of his or her duties as a director; and• for the recommendation of an Independent Director, whether he/she meets the criteria of an Independent Director as specified by Practice Note 13 of the MMLR of Bursa Securities and whether he/she can act independently of management. <p>The Managing Director and Executive Directors are responsible for the appointment of senior management which was also made with due regard for diversity in skills and experience, gender, ethnicity, age, educational background and knowledge.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board acknowledges the need to promote gender diversity in line with the MCGG and the Government's target for women to fill 30% or more of the decision making positions in corporate Malaysia. While the Company does not have a specific target for female Directors on the Board, suitably qualified female candidates who can contribute to the diversity of the Board, will be considered for appointment in the event that vacancies for Directors arise or when a decision is made to increase the size of the Board.</p> <p>Currently, the Board composition includes one (1) female Director, Ms Leow Vinzie, who is a Non-Independent Non-Executive Director. Nevertheless, the Board will continue to identify suitable female candidate as Director from time to time.</p>
<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 4.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>The NC is responsible to recommend candidates to the Board to fill vacancy arising from resignation, retirement or other reasons or if there is a need to appoint additional Directors with the required skill or profession to the Board in order to close the competency gap in the Board identified by the NC. The potential candidate may be proposed by existing Directors, Senior Management, shareholders or third-party referrals. Upon receipt of the proposal, the NC is responsible to conduct an assessment and evaluation on the proposed candidate.</p> <p>Before any recommendation made to the Board, the NC will evaluate a candidate by considering the following factors:</p> <ul style="list-style-type: none">• age, ethnicity, gender, skill and expertise, working experience, industry knowledge, educational qualification, integrity, competence and characteristics;• willingness and ability to discharge effectively the duties as a director, including the number of directorships in other public listed companies currently held by the candidate;• able to devote sufficient time and energy to the performance of his or her duties as a director; and• for the recommendation of an Independent Director, whether he/she meets the criteria of an Independent Director as specified by Practice Note 13 of the MMLR of Bursa Securities and whether he/she can act independently of management. <p>The Company Secretaries are tasked to ensure all appointments are properly made and all necessary information is obtained from the Directors, for the Company's records and for the purposes of meeting statutory obligations as well as obligations arising from the MMLR of Bursa Securities.</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 4.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>The NC is chaired by Tuan Haji Ahmed Azhar Bin Abdullah, who is the Senior Independent Non-Executive Director nominated amongst the Independent Non-Executive Directors.</p> <p>The Terms of Reference of the NC is available on the Company's website at www.arank.com.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 form an opinion on the overall effectiveness of the board and individual directors.

Practice 5.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out and its outcome.

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

Application	: Applied
Explanation on application of the practice	<p>The Board, through the NC, performed a formal and objective annual evaluation to determine the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director. Such evaluation also includes the evaluation of Independent Directors on their independences and that all assessments and evaluations by the NC would be properly documented.</p> <p>The evaluation is performed based on the feedback from the respective Directors to the following questionnaire and evaluation forms distributed annually:</p> <ul style="list-style-type: none">• Audit Committee Evaluation Questionnaire;• Audit Committee Members' Self and Peer Evaluation Form;• Board Skills Matrix Form;• Board and Board Committees Evaluation Form;• Directors' Evaluation Form; and• Independent Directors' Self-Assessment Checklist. <p>The following are the main evaluation criteria taken into consideration in assessing the performance:</p> <p>(a) Evaluation criteria for the Board</p> <ul style="list-style-type: none">• Board mix and composition;• Quality of information and decision making; and• Boardroom activities <p>(b) Evaluation criteria for the Board Committees</p> <ul style="list-style-type: none">• Board Committees composition;• Quality of information and recommendations provided to the Board for decision making;• Knowledge and experience of the members of the Board Committees in discharging their duties;• Ability of the Board Committees to properly discharging their responsibilities;• Criteria used in appointment of Chairman of Board Committees; and• Quality of communications by the Board Committees

	<p>(c) Evaluation criteria for the individual Directors</p> <ul style="list-style-type: none"> • Integrity and professional ethics; • Qualifications, knowledge and experience; • Participation in Boardroom deliberations; • Contribution to development of business strategy; • Contribution to risk management and internal control; and • Meeting attendance and willingness to devote time and effort to participate in events outside the Boardroom; <p>The summary of evaluation conducted in respect of the financial year ended 31 July 2021 was tabled to the NC on 29 September 2021 and recommended to the Board for review and notation. The Board was satisfied with the results of the annual assessment and that the current size and composition of the Board is appropriate and well-balanced with the right mix of skills. The Board was also satisfied with the Board composition comprising individuals of high caliber, credibility and with the necessary skills and qualifications to enable the Board to discharge its duties and responsibilities effectively.</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

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

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

Practice 6.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board through the Remuneration Committee ("RC"), implements the policies and procedures on the recommendation and review of the remunerations for Board members and Senior Management.</p> <p>The Board believes that competitive remunerations enable the Company to attract, retain and motivate the Directors and Senior Management. The remuneration packages are aligned to corporate objectives and take into consideration the complexity of the Company's business operations with reference to an individual's responsibilities and achievements. Additionally, the Board also ensure that remunerations and incentives for Independent Directors are not in conflict with their obligations to bring objectivity, professionalism and independence of opinions on matters discussed at Board meetings.</p> <p>RC is responsible for recommending the remuneration framework for Directors as well as the remuneration packages of Executive Directors to the Board. None of the Executive Directors participate in any way in determining their individual remuneration.</p> <p>The Managing Director and Executive Directors are responsible to determine the remuneration package of the Senior Management, with reference made to remuneration packages of similar positions in comparable companies within the industry.</p> <p>The remuneration packages of the Executive Directors and Senior Management are structured in a way to link rewards to the performance of the Company as well as individual performance.</p> <p>The remuneration policy for Directors and Senior Management is included in the Terms of Reference of Remuneration Committee, which is published on the Company's website at www.arank.com.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

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

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

Practice 6.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board had established a Remuneration Committee ("RC") to implement its policies and procedures in relation to the determination of remuneration package of Directors.</p> <p>RC comprises four (4) Non-Executive Directors of whom; three (3) are Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The RC is chaired by Mr Wong Tze Kai who is an Independent Non-Executive Director of the Company and other members of the RC are Datuk Leow Chong Howa, Tuan Haji Ahmed Azhar Bin Abdullah and Dr Leong Chik Weng.</p> <p>The terms of reference which details the authority, duties and responsibilities of the RC is available on the Company's website at www.arank.com.my.</p> <p>None of the Executive Directors participate in any way in determining their individual remuneration. The Directors of the Company, who are also shareholders, had abstained from voting on the resolutions, in respect of their direct and indirect shareholdings, approving the payment of Directors' fees and benefits at the previous AGM held on 9 December 2020.</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 7.1

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

Application :	Applied																																																																																																																																																																																																																																																																																							
Explanation on application of the practice :	<p>The details of remuneration of Directors on a named basis for the financial year ended 31 July 2021 are as follow:</p> <table border="1"> <thead> <tr> <th></th> <th>Directors' Fee RM'000</th> <th>Salaries RM'000</th> <th>Bonus RM'000</th> <th>Defined contribution Plan RM'000</th> <th>Other benefits RM'000</th> <th>Meeting allowance RM'000</th> <th>Benefit in-kind RM'000</th> <th>Total RM'000</th> </tr> </thead> <tbody> <tr> <td>Group</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Executive Directors</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Tan Wan Lay</td> <td>40</td> <td>599</td> <td>105</td> <td>112</td> <td>1</td> <td>4</td> <td>24</td> <td>885</td> </tr> <tr> <td>Gan Choon Sun</td> <td>40</td> <td>406</td> <td>79</td> <td>78</td> <td>1</td> <td>4</td> <td>45</td> <td>653</td> </tr> <tr> <td>Leow Vinken</td> <td>10</td> 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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 7.2

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

Application	:	Departure												
Explanation on application of the practice	:													
Explanation for departure	:	<p>To avoid any potential controversy within the Group while maintaining harmony amongst Management and employees, the Board had decided not to disclose based 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 as required under Practice 7.2 of MCCG and detailed remuneration of each member of Senior Management on a named basis as required under Step Up Practice 7.3 of MCCG.</p> <p>The Company's Senior Management Team comprises the Managing Director, Executive Director, General Manager, Administration and Purchasing Manager, Finance Manager and Production Manager.</p> <p>The details of the remuneration of the Managing Director, Executive Director and General Manager were disclosed in Practice 7.1.</p> <p>The remuneration of Administration and Purchasing Manager, Finance Manager and Production Manager is disclosed in totality as follows:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: right;">RM'000</th> </tr> </thead> <tbody> <tr> <td>Short term employee benefits</td> <td style="text-align: right;">698</td> </tr> <tr> <td>Defined contribution plan</td> <td style="text-align: right;">92</td> </tr> <tr> <td>Other benefits</td> <td style="text-align: right;">6</td> </tr> <tr> <td>Benefit-in-kind</td> <td style="text-align: right;">14</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">810</td> </tr> </tbody> </table>		RM'000	Short term employee benefits	698	Defined contribution plan	92	Other benefits	6	Benefit-in-kind	14		810
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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 7.3 - 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	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The positions of the Chairman of the Board and Chairman of the Audit Committee ("AC") of the Company are held by separate individuals.</p> <p>The Chairman of the Board is Dato' Shahrir Bin Abdul Jalil, whereby the Chairman of the AC is Tuan Haji Ahmed Azhar Bin Abdullah. Both of them are Independent Non-Executive Directors 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 an effective and independent Audit Committee.

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

Practice 8.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit Committee ("AC") recognises the importance of independence of its External Auditors and that no possible conflict of interest whatsoever should arise. Hence, the Terms of Reference of AC had incorporated a policy which required a cooling-off period of at least three (3) years for any former key audit partner of the Group's External Auditors before the person is being appointed as a member of the AC. The Terms of Reference of AC is available on the Company's website at www.arank.com.my.</p> <p>In light of the enhanced Practice 9.2 introduced by the revised MCCG in April 2021, the Terms of Reference of AC was revised on 29 September 2021 on the above cooling-off period to ensure consistency with the new practice.</p> <p>The Company has no intention to appoint any former key audit partner as a member of the Board or AC.</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 8.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board had adopted Policies and Procedures to assess the suitability, objectivity and independence of External Auditors on 29 June 2018 which set out, amongst other, the details relating to selection criteria for appointment/re-appointment of External Auditors and provision of non-audit services.</p> <p>In order to establish a transparent and appropriate relationship with External Auditors through the Audit Committee ("AC"). The AC will meet with the External Auditors without the presence of the Management at least twice (2) a year.</p> <p>The External Auditors, via its Audit Completion Report, had on 29 September 2021 confirmed to the AC that they have complied with the relevant ethical requirements regarding independence throughout the conduct of the audit engagement for the financial year ended 31 July 2021.</p> <p>Based on the latest yearly assessment carried out by AC on 29 September 2021, the AC is satisfied with the suitability and independence of the External Auditors and takes the following into consideration before making recommendation to the Board for the re-appointment of BDO PLT as External Auditors, which is subject to the approval of shareholders at the forthcoming AGM:</p> <ul style="list-style-type: none">(a) the adequacy of the experience, audit quality and resources of the External Auditors;(b) the nature and extent of audit and non-audit services rendered, inclusive of appropriateness of level of fees; and(c) the level of independence of the External Auditors.
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 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The Audit Committee comprises three (3) members, all of whom are Independent Non-Executive Directors.

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman and members of the Audit Committee ("AC") have relevant accounting knowledge or related financial management expertise and experience to discharge the AC's duties and responsibilities. All members of the AC are able to understand, analyse and, when necessary, challenge the matters and issues under the purview of the AC, including the financial reporting process.</p> <p>The AC is led by Tuan Haji Ahmed Azhar Bin Abdullah, who is graduated with Diploma in Accountancy from MARA Institute of Technology, Bachelor of Science in Accounting from California State University (Fresno) and Master of Business Administration from California State University, Dominguez Hills (Los Angeles). Throughout his career, he was mostly responsible for operations and financial matters.</p> <p>Based on the outcome of the evaluation conducted by NC on the performance of AC and each of its members for the financial year ended 31 July 2021, the Board is satisfied that the AC had carried out its duties and responsibilities effectively as per its Terms of Reference and all AC members possess the appropriate experience which have added value and contributed to the overall effectiveness of the AC.</p> <p>The AC was involved in the following:</p> <p>(a) Financial reporting process</p> <ul style="list-style-type: none">• reviewed the unaudited quarterly and year-end results of the Group before recommending to the Board for approval and for announcement to Bursa Securities; and• reviewed the Audited Financial Statements of the Group and of the Company prior to submission to the Board for consideration and approval.

	<p>(b) Continuous education All the members of the AC have attended professional development seminars and/or trainings during the financial year ended 31 July 2021 to enable them to discharge their responsibilities more effectively.</p> <p>The details of the training attended by the AC members for the financial year ended 31 July 2021 are disclosed in Annual Report.</p> <p>In addition, the AC is also regularly briefed by the External Auditors on key changes in relation to accounting and financial reporting standards.</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

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

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

Practice 9.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges its responsibility for maintaining a sound system of risk management and internal control in the Company and the Group. These controls provide reasonable but not absolute assurance against material misstatement, loss or fraud.</p> <p>The Board has in place a Risk Management Framework ("RMF") to safeguard the interest of the shareholders, employees, customers and other stakeholders. The implementation of the RMF is carried out by the Risk Management Committee ("RMC"), which is headed by the Managing Director and assisted by the Executive Director and respective Head of department. The RMC submit the reports to the Audit Committee ("AC") on its findings on a half yearly basis and the AC will report to the Board accordingly.</p> <p>The internal audit function is outsourced to Talent League Sdn Bhd, a professional service firm (the "Outsourced Internal Auditors"). The Outsourced Internal Auditors performed its work in accordance with a recognised framework such as the <i>International Professional Practices Framework</i> ("IPPF") issued by the Institute of Internal Auditors. The internal audit function has been mandated to continually assess and monitor the Group's system of internal control. The internal audit function adopts a risk-based approach and prepares its audit strategy and plans based on the risk profiles of individual business unit of the Group. Premised on the performance assessment by the AC and feedback from the Management Team, the AC is satisfied that the internal auditors are free from any relationships or conflicts of interest with those involved which could impair their objectivity and independence and is capable of carrying out internal audit reviews.</p> <p>The Outsourced Internal Auditors will report directly to AC on the key risk related issues and the AC shall report to the Board on the status of the risk management process.</p> <p>For the financial year ended 31 July 2021, the Board has received assurances from the Managing Director and the Finance Manager that the Group's risk management and internal control systems are operating adequately and effectively in all material aspects. There are no significant areas of concern that may affect the financial, operational and compliance controls.</p>

	The information on risk management and internal control are set out in the Corporate Governance Overview Statement and Statement on Risk Management and Internal Control 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 9.2

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

Application	: Applied
Explanation on application of the practice	<p>The Board and AC, through the Risk Management Committee ("RMC") to oversee the Group's risk management framework and policies, approve appropriate risk management practices and procedures to ensure effectiveness of risk identification, management and monitoring to safeguard the interest, and meet the expectations of its shareholders, employees, customers, other stakeholders and the many communities in which the Group conducts its business. This involves:</p> <ul style="list-style-type: none">• enhancing strategic competitiveness and operational efficiency that increases long term shareholders' value;• minimising unexpected impact to earnings and returns to shareholders;• safeguarding valuable assets and resources;• balancing expectations of various stakeholders; and• meeting existing regulatory requirements on risk management. <p>The RMC reviews and recommends for the AC and Board's consideration and approval, the risk management principles, frameworks and policies for managing risks within the Group.</p> <p>The RMC submit the reports to the AC on its findings on a half yearly basis and the AC will report to the Board accordingly.</p> <p>In addition, the RMC is also assisted by the Outsourced Internal Auditors in the implementation of risk management i.e. coordinating and reporting (risk management function) and reviewing of risks status (internal audit function). The Outsourced Internal Auditors reviews will also identify any new potential risk that could affect the financial position, operational processes and goodwill of the Company. Overall, there were no significant risks identified. All identified risks are within manageable level in accordance with the risk appetite of the Group.</p> <p>The Statement on Risk Management and Internal Control in the Annual Report provides an overview of the state of risk management and internal controls within the Group.</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 9.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 10.1

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 internal audit function is outsourced to an independent professional firm, Talent League Sdn Bhd (the “Outsourced Internal Auditors”). The responsibilities of the Outsourced Internal Auditors include conducting audits, submitting findings and the provision of independent report to the AC on the Group’s systems of internal controls. Being an independent function, the audit work is conducted with impartiality, proficiency and due professional care. The audits are carried out to ensure instituted controls are appropriate, effectively applied and within acceptable risk exposures and consistent with the Group’s risk management policy. The Outsourced Internal Auditors reports directly to the AC and audit findings and recommendations are communicated to the Board.</p> <p>In performing its duties, the Outsourced Internal Auditors have free and unfettered access to information and to meet with any of the department heads or persons-in-charge. The identified audit findings and recommendations are followed up by the Outsourced Internal Auditors and the status is reported to the AC.</p> <p>During the financial year under review, the Outsourced Internal Auditors carried out periodic internal audit reviews in accordance with the approved internal audit plan to monitor compliance with the Group’s procedures and to review the adequacy and effectiveness of the Group’s system of risk management and internal control. The results of these reviews have been presented to the AC at their scheduled meetings. Follow up reviews were also conducted to ensure that the recommendations for improvement have been implemented by Management on a timely basis.</p> <p>On 29 September 2021, the AC has performed an annual assessment of the performance of the Outsourced Internal Auditors and was satisfied with the adequacy of the scope, function, competency and resources of the Outsourced Internal Auditors and was of the view that they have the necessary authority to carry out their work during the financial year under review.</p> <p>Details of the Group’s internal control system and risk framework are set out in the Audit Committee Report and Statement on Risk Management and Internal Control of 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

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

Practice 10.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>Currently, the internal audit function is outsourced to Talent League Sdn Bhd, a professional service firm (the “Outsourced Internal Auditors”). The Outsourced Internal Auditors is headed by its executive director, Mr Roy Thean Chong Yew (“Mr Thean”), who is a Chartered Member of Institute of Internal Auditor. Mr Thean is also a member of Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants. Mr Thean has more than twenty-two (22) years of audit experience.</p> <p>During the financial year ended 31 July 2021, the Outsourced Internal Auditors has assigned four (4) staff to provide internal audit services. The Outsourced Internal Auditors performed its work in accordance with a recognised framework such as the <i>International Professional Practices Framework</i> (“IPPF”) issued by the Institute of Internal Auditors. The internal audit function has been mandated to continually assess and monitor the Group’s system of internal control. The internal audit function adopts a risk-based approach and prepares its audit strategy and plans based on the risk profiles of individual business unit of the Group. Premised on the performance assessment by the AC and feedback from the Management Team, the AC is satisfied that the internal auditors are free from any relationships or conflicts of interest with those involved which could impair their objectivity and independence and is capable of carrying out internal audit reviews.</p> <p>None of the persons involved have any family relationship with the Directors or Company which could result in the conflict of interest and/or impairment of the objectivity and independence during the internal audit review.</p> <p>Total costs paid to Outsourced Internal Auditors for the financial year ended 31 July 2021 amounted to RM26,000.</p>
Explanation for departure	:	

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

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 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of maintaining an effective communication channel between the Board, shareholders and other stakeholders for timely dissemination of information. To facilitate this process, the Board has formalised a Corporate Disclosure Policy with regards to the handling and disclosing of material information to the public.</p> <p>Apart from adhering to and complying with the disclosure requirements of the MMLR of Bursa Securities, the Board also observes the Corporate Disclosure Guide issued by Bursa Securities.</p> <p>Besides the direct communication and interaction with shareholders at the Company's general meetings, shareholders and other stakeholders are informed of all material matters affecting the Company through announcements made to Bursa Securities as well as the Company's website including quarterly financial results, Annual Reports, Circulars and other information.</p> <p>The AGM and Extraordinary General Meeting ("EGM") serves as the principal forum for direct interaction and dialogue among shareholders, Board and Management. The AGM or EGM provides an opportunity for the shareholders to seek and clarify any issues and to have a better understanding of the Group's performance and other matters of concern. Shareholders are encouraged to actively participate in the question and answer ("Q&A") session. The Board, Management and/or the External Auditors are available to respond to shareholders' enquiries and provide appropriate clarifications at the AGM or EGM.</p> <p>The Company's official website, www.arank.com.my, also served as a platform to communicate with the shareholders, investors and other stakeholders. Important information including corporate information, production facilities, type of products and other investor relation information are uploaded to the website and will be updated regularly to keep the information up to date. Besides, documents pertaining to corporate governance of the Company such as Board Charter, policies, terms of reference are also made available on the Company's website.</p>

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

Intended Outcome

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

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

Practice 11.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Not applicable as the Company is not a Large Company by definition of the Malaysian Code on Corporate Governance issued by Securities Commission Malaysia.	
		Not applicable.	
<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 12.1

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 Annual Report and Notice of Annual General Meeting (“AGM”) for last financial year were sent out to Shareholders on 6 November 2020, which was thirty-two (32) days before the meeting.</p> <p>The Company will continue to practise notice period of at least twenty-eight (28) days for AGM.</p> <p>The Annual Report and Notice of AGM will be made available on Bursa Securities’ website and Company’s website. Additionally, the Notice of AGM will be advertised in a national newspaper concurrently.</p> <p>The Company will continue to give not less than twenty-eight (28) days’ notice period for the forthcoming AGM for financial year ended 31 July 2021.</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 12.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>At the last AGM held on 9 December 2020, which was conducted on a fully virtual basis, all Directors including the Chairman of the Board Committees participated in the meeting to engage directly with shareholders, corporate representatives and proxies. Shareholders were invited to send questions in advance of the meeting pertaining to the Company's accounts and proposed resolutions, or via the real time submission of typed texts during the live streaming of the AGM. The Chairman also provides sufficient time for the Q&A sessions during the AGM. The Management, External Auditors and Company Secretary were in attendance to respond to the shareholders' queries, where applicable or necessary.</p> <p>The summary of the key matters discussed in the last AGM is published on the Company's website at www.arank.com.my.</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 12.3

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

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Currently, the Company is not ready to leverage on the information technology for electronic voting and remote shareholders’ participation.</p> <p>The last AGM of the Company was held virtually on 9 December 2020 with the minutes of the meeting published on the Company’s website for the information of those who did not participate at the meeting.</p> <p>The Company does encourage shareholders to physically attend the general meetings. The Board is of the belief that direct interaction with shareholders, will foster closer relationships among each other as well as with the Company and Management. For the shareholders who are unable to present at the meetings, the shareholders may choose to appoint any individual(s) as their proxy to attend the meetings and cast the vote on his or her behalf.</p>
<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
PERSUANT 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.

Not Applicable
