

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0297
COMPANY NAME : TSA GROUP BERHAD
FINANCIAL YEAR : December 31, 2023

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors ("Board") of TSA Group Berhad ("TSA" or the "Company") recognises that Corporate Governance is critical to the performance of the Company and its subsidiaries (the "Group"). The Board is unwavering in its commitment to implementing the appropriate policies to guarantee that the principles of good governance are followed in all of the Company's corporate and business activities. The Board is guided by its Board Charter in discharging its fiduciary duties and responsibilities.</p> <p>The Board is ultimately accountable and responsible for the Group's performance and affairs, as well as for overseeing the Group's corporate governance framework. All Board members are required to conduct themselves professionally, following the basic values of integrity while keeping their fiduciary responsibilities in mind.</p> <p>The Board delegated certain of its obligations to the Board Committees to assist in the fulfilment of its stewardship responsibility. These Board Committees will follow the Terms of Reference ("TOR") set forth in their separate Committee Charters, which can be found on the Company's website at https://tsa.com.my/. The Chairman of the respective Board Committees reports to the Board on major issues discussed at the respective Board Committee meetings and, where appropriate, makes recommendations to the Board for final approval.</p> <p>The Board Committees include:</p> <ul style="list-style-type: none">• Audit and Risk Management Committee ("ARMC");• Nominating Committee ("NC"); and• Remuneration Committee ("RC"). <p>The ARMC assists the Board in discharging its statutory duties and responsibilities relating to reliability and integrity of the Company's financial accounting and reporting, disclosure, internal controls, accounting and reporting practices, governance structure, compliance,</p>

	<p>related party transaction, conflict of interest and risk management of the Company and its subsidiaries.</p> <p>The NC oversees matters relating to the nomination of new Directors, annually reviews the required mix of skills, experience and other requisite qualities of Directors as well as the assessment of the effectiveness of the Board as a whole, its Committees and the contribution of each individual Director.</p> <p>The RC is primarily responsible for examining and making recommendation to the Board as to the remuneration packages for Directors and Senior Management pursuant to the provision of the Directors and Senior Management Policy and Procedures, which reflects the performances of these personnel.</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

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>TSA recognises that appointing a capable Chairman to lead the Board of Directors ("Board") is key for the establishment of a good governance culture and also developing trust which complements the Board structure and the formal governance legislation in terms of embedding high governance standards in the Group.</p> <p>Our Board Chairman is Mr. Lim Hun Soon @ David Lim ("David Lim"), is an Independent Non-Executive Director and a retired partner of a big-four accounting firm whom also currently sits on the boards of three (3) other Main Market listed issuers.</p> <p>As the Board Chairman, Mr. David Lim is responsible for:</p> <ul style="list-style-type: none">• to ensure smooth and effective functioning within the Board;• to provide leadership to the Board, and oversee the Board in the effective discharge of its fiduciary duties;• to set the Board agenda in consultation with the Group Managing Director ("GMD") and the Company Secretary and also to ensure the Board members receive complete and accurate information in a timely manner;• to chair the Board Meetings and lead in discussions at meetings and ensure efficient and effective conduct of the Board meetings;• to guide and mediate the Board's actions with respect to organisational priorities and governance concerns;• to encourage active participation and allow dissenting views to be freely expressed;• to promote constructive and respectful relations between Board members and manage the interface between the Board and Management;• to facilitate effective communication between the Board and the stakeholders;• to lead the Board in establishing and monitoring good corporate governance practices in the Company;• to assist with developing the Company's corporate strategy, building a pipeline of potential merger and acquisition transactions, growing the Company's market profile and establishing new corporate relationships;• to work with management in reviewing plans, defining issues, maintaining accountability and in any efforts that would allow to effectively position the Company with investors to facilitate growth;

	<ul style="list-style-type: none"> • to commit the time necessary to discharge effectively his role as Chairman; • to ensure that Board meetings are effective in that: <ul style="list-style-type: none"> – the appropriate matters are considered during the meeting (for example, strategic and important issues); – matters are considered carefully and thoroughly; – all Directors are allowed to effectively contribute; and – the Board comes to clear decisions and resolutions that are duly noted; • to ensure that the Board acts and behaves under its Charter; • to manage the interface between the Board and management; • to perform other responsibilities as assigned by the Board, from time to time; • in conjunction with the GMD, undertake appropriate public relations activities to provide effective communication with stakeholders and to communicate their views to the Board; • be the spokesperson for the Company at the annual general meeting and in the reporting of performance and profit figures; • be the major point of contact between the Board and the GMD; • be kept fully informed of current events by the GMD on all matters which may be of interest to Directors; • regularly review with the GMD, and such other appropriate senior officers, progress on important initiatives and significant issues facing the Company; and • to provide mentoring for the GMD.
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>TSA acknowledges the need for separation of the positions of Chairman and Chief Executive Officer ("CEO") [in our case, the Group Managing Director ("GMD")] to alleviate conflicts, as the CEO is primarily responsible for spearheading the business and day-to-day management of the Company whereas the Chairman is primarily responsible for the oversight over the management.</p> <p>Our Board Charter reflects our commitment towards separation between Chairman and CEO, where it states that the position of the Chairman and if desired, the Deputy Chairman and MD or CEO must be held by different individuals. The distinct and separate roles of the Chairman, Deputy Chairman and MD or CEO, with a clear division of responsibilities, ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making.</p> <p>Our Chairman and GMD positions are held by two (2) separate individuals, i.e. Mr. Lim Hun Soon @ David Lim and Mr. Chew Kuan Fah respectively. The roles and responsibilities of the Chairman and the GMD are listed under the Board Charter, where the Chairman is responsible for effective performance of the Board, including instilling good corporate governance practices, leadership and effectiveness of the Board as a whole, whilst the GMD is responsible for all aspects of management and development of the Company, including implementing programme to achieve the Company's goals and vision for the future, in accordance with the strategies, policies, programs and performance requirements approved by and/ or in-line with the Board.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

<p><i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i></p>	
<p>Application :</p>	<p>Applied</p>
<p>Explanation on application of the practice :</p>	<p>TSA understands and advocates the need for the Board Chairman to not be involved in Board Committees (i.e. Audit Committee, Nominating Committee and Remuneration Committee), to provide check and balance as well as objective review by the Board on deliberations emanating from the Board Committees.</p> <p>We have included the above in our Board Charter, stating that the Chairman of the Board should not be a member of the Audit Committee, Nominating Committee and Remuneration Committee.</p> <p>Our Board Chairman, Mr. Lim Hun Soon @ David Lim does not sit on any of our Board Committees, i.e. Audit and Risk Management Committee, Nominating Committee, and Remuneration Committee.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>TSA recognises that the responsibility of the Company Secretary has evolved from advising on administrative matters to advising Board of Directors ("Board") on governance matters, Board policies and procedures as well as pertinent regulatory requirements. As a result, it is of increasing importance that the Board is supported by suitably qualified and competent Company Secretary.</p> <p>The Board Charter provides that a suitably qualified Company Secretary shall possess the knowledge and experience to carry out his/her functions, including knowledge in company and securities law, finance, governance and other areas of compliance such as the Bursa Malaysia Securities Berhad's ACE Market Listing Requirements ("Listing Requirements") as well as to undertake continuous professional development. Furthermore, the Charter also provides that the appointment and removal of the Company Secretary(ies) shall be a matter for the Board as a whole, and the roles and responsibilities of the Company Secretary are as follows:</p> <ul style="list-style-type: none">• manage all Board and Board Committees meetings' logistics, attend and record minutes of all Board and Board Committees meetings and facilitate Board communications;• advise the Board on its roles and responsibilities;• assist in director training and development;• advise the Board on corporate disclosures and compliance with the Company's Constitution as well as the Companies Act ("CA") 2016, Listing Requirements and Malaysian Code on Corporate Governance ("MCCG");• manage processes about the general meetings;• monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations;• serve as a focal point for stakeholders' communication and engagement on corporate governance issues;• ensuring that Board procedures and applicable rules are observed;• timely dissemination of information relevant to Directors' roles and functions and keeping them updated on new or evolving regulatory requirements;• advising the Board on its roles and responsibilities;• carry out other functions as deemed appropriate by the Board from time to time; and

	<ul style="list-style-type: none"> undertake the statutory duties as prescribed under the CA 2016 and the Listing Requirements. <p>The Company Secretaries are Ms. Teo Soon Mei (MAICSA 7018590 and SSM PC 201908000235) (resigned w.e.f. 29 March 2024) and Ms. Goh Chooi Woan (MAICSA 7056110 and SSM PC 201908000145), both MAICSA Chartered Secretary and Chartered Governance Professional. Both Ms. Teo and Ms. Goh have the requisite credentials and are qualified to act as Company Secretary under Section 235(1) and (2) of the CA 2016, and periodically undertakes continuous professional developments to upskill and keep abreast of new developments.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>We recognise that Directors rely on Management for the information necessary to carry out their oversight duties, and owing to the oversight nature of their roles, in particular Non-Executive Directors, will inherently lack in-depth knowledge on the operations in comparison to the Management team. Hence, it is important that sound and sufficient information flow are provided timely in order to facilitate robust and effective deliberations.</p> <p>Similarly, information flow from Board of Directors ("Board") to Management (including proceedings and decisions of the Board) is critical for Management's actions, including execution of the Company's strategic plan and many other critical processes. Hence, upon conclusion of Board and Board Committee meetings, all Directors should ensure that the minutes of meetings accurately reflect the deliberations and decisions of the Board or Board Committees and shall be circulated timely.</p> <p>TSA's Board Charter has specified the following requirements in relation to meeting papers: to allow sufficient time for Directors to consider the relevant</p> <ul style="list-style-type: none">• information, Board papers and agenda items are to be circulated at least five (5) business days, or a shorter period where unavoidable, before the meeting. Where there is a need to table a report, a brief statement of findings and/or recommendations is prepared; and• minutes are prepared following a Board meeting and are circulated in draft form for the Board to ensure that the minutes accurately reflect the deliberations and decisions of the Board, including whether any Director abstained from voting or deliberating on a particular matter. The draft minutes will be re-circulated with the Board papers in readiness for signing at the following meeting. The practice is for minutes to record processes and decisions rather than a historical narrative of the discussion or concluding remarks of final decisions made. If one or more Directors request their opinion to be noted, the Company Secretary shall comply with the request. <p>During the financial year, the Board has conducted five (5) meetings and received notice of meetings, Board papers and minutes of meetings within the timeframe provided in the Board Charter.</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 of Directors (“Board”) recognises the importance of clarifying its responsibilities as well as that of the Board Committees, individual Directors and Management by establishing and defining clear boundaries, to minimise blurring of lines between the roles of the Board and Management which also clearly delineates points of accountability. The boundaries set shall be formally documented into a Board Charter document, which acts as a policy statement that outlines the Board’s governance structure, power, terms of reference, as well as those of its committees and Management. This document serves as the primary reference and literature that guides the governance and conduct of the Board.</p> <p>The Board has established a Board Charter which amongst others, outline the following:</p> <ul style="list-style-type: none">• duties and responsibilities of the Board;• duties and responsibilities of the Directors;• duties and responsibilities of individual Director;• duties and responsibilities of the Chairman of the Board;• duties and responsibilities of the Managing Director or Chief Executive Officer;• duties and responsibilities of Executive Directors• duties and responsibilities of Independent Non-Executive Directors;• role of Senior Independent Director;• key responsibilities of the Audit and Risk Management Committee;• key responsibilities of the Nominating Committee;• key responsibilities of the Remuneration Committee; and• matters reserved for the Board. <p>The Board Charter is to be reviewed from time to time and make any necessary amendments to ensure the Board remains consistent with the Board’s objectives, current laws/ regulations and good governance, more important, aligning with the Company’s business strategy.</p>

	The Board Charter is published on our corporate website at https://tsa.com.my/ and is accessible to our stakeholders at all times.	
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 3.1

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>Ethical business practice is considered as the foundation of TSA's business practice. The Board of Directors ("Board") recognises that a company's culture is largely shaped by the company's leadership, and hence it is important that ethical principles and values are formalised and communicated through the Code of Conduct and Ethic for all Directors and employees, to provide a strong "tone from the top" in shaping the attitudes and behaviours within the company.</p> <p>Our Group's Code of Ethics and Conduct, last reviewed on 24 November 2023, applicable to all Directors and employees of the Group, covers the following topics, amongst others:</p> <ul style="list-style-type: none">• compliances;• maintain the highest standards and uphold corporate values;• conflict of interest;• personal and family relationships;• gifts, hospitality and entertainment;• anti-corruption;• anti-money laundering;• insider trading;• fraud;• breach of trust;• no abuse of authority or power;• confidentiality;• protection and proper use of assets;• work environment;• ensuring workplace health and safety;• intellectual property and information; and• financial integrity. <p>The Code of Ethics and Conduct is to be reviewed periodically and updated as and when necessary to ensure that it remains current and relevant in addressing any ethical issues that may arise within the Group.</p>

	The Code of Ethics and Conduct is published on our corporate website at https://tsa.com.my/ and is accessible to our stakeholders at all times.	
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>TSA recognises the importance of having a channel for stakeholders (including both internal and external parties) to report genuine concerns about wrongdoings, including a legal obligation being breached (covering negligence, criminal activity, breach of contract, and breach of law), a miscarriage of justice, a threat to health and safety or the environment, or a cover-up of any of these in the workplace, to enable allegations to be thoroughly investigated and to carry out necessary actions, where appropriate. This is to reduce the risk of falling into a vicious cycle where Management and the Board of Directors (“Board”) are unaware of problems and misconduct remains pervasive or unaddressed in the absence of a well-designed whistleblowing framework for stakeholders to raise concerns about illegal or unethical activities that they are aware of through their dealings.</p> <p>The Whistleblowing Policies and Procedures, last reviewed on 24 November 2023, was designed for the purpose of:</p> <ul style="list-style-type: none"> • committing to the Group’s business ethics of honesty, integrity and transparency; • promoting and maintaining high transparency and accountability in the workplace; • promoting good corporate governance practices in the workplace; • ensuring that employees can raise concerns without fear of reprisals and safeguard such person’s confidentiality; • protecting a whistleblower from reprisal as a consequence of making a disclosure; • providing a transparent and confidential process for dealing with concerns; • protecting the long term reputation of the Group; • supporting the Company’s values; and • maintaining a healthy working culture and an efficient corporation. <p>The Whistleblowing Policies and Procedures covers amongst others, the following:</p> <ul style="list-style-type: none"> • scope of the policy; • definition of whistle-blower and expectations of the whistle-blower;

	<ul style="list-style-type: none"> • types of misconducts that can be reported (such as general misconducts, unlawful/ illegal conduct/ intention, non-procedural conduct/ act, conflict of interest, and unethical conduct); • confidentiality and anonymity of whistleblowing reports; • protection to whistle-blower; • reporting procedures; and • consequences of wrongdoing or wrongful disclosure. <p>The Whistleblowing Policies and Procedures shall be reviewed periodically as the Board deems appropriate subject to at least once every three (3) years, and amended from time-to-time, as and when necessary, to ensure its relevance and effectiveness in keeping with the Group’s changing business environment, administrative or operational needs as well as changes to legislations.</p> <p>The Whistleblowing Policies and Procedures is published on our corporate website at https://tsa.com.my/ and is accessible to our stakeholders at all times.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>Sustainability is commonly defined as the “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”. To enable businesses to sustain in the long run, we understand that businesses need to be carried out in a sustainable and responsible manner, including limiting damage or negative impacts of businesses on the economic, environment and social front. To achieve the above objective, both the Board of Directors (“Board”) and Management plays an important role in setting the company/ group’s sustainability strategies, priorities and targets. Specifically, the Board shall provide a robust oversight whilst the Senior Management team is responsible in driving the strategic management of the company’s/ group’s material sustainability matters.</p> <p>Although Management in consultation with the Board is in the midst of establishing the Sustainability Framework, the following matters pertaining to sustainability have been established:</p> <ul style="list-style-type: none">• governance structure, which are – Board of Directors, Executive Committee and Heads of Departments; <i>(Further details on the sustainability governance structure and the roles and responsibilities of each governing functions are available in the Sustainability Statement of the Annual Report)</i>• Environment, Social and Governance (“ESG”) practices in ensuring environmentally responsible operations, conducting business responsibly and providing conducive workplaces for employees, guided by the following key focus areas: <u>Environmental Practices:</u><ul style="list-style-type: none">– Sustainable Production: Implementing strategies to minimise waste generation during production processes;– Environmental Stewardship: Designing and committing to environmental protection and stewardship, reducing risks and impacts on the environment in daily operations;

	<ul style="list-style-type: none"> – Waste Management: Implementing approaches to ensure minimum consumable waste and proper consumable waste disposal methods; – Regulatory Compliance: Evaluating and ensuring compliance with all relevant environmental regulatory and legal requirements; <p><u>Social Practices:</u></p> <ul style="list-style-type: none"> – Employee Health and Safety: Implementing and continuously ensuring a safe, healthy, and conducive work environment for all employees; – Diversity and Inclusion: Developing and cultivating a diverse and inclusive culture that recognises and values individuality; – Equal Opportunities: Implementing and developing measures to ensure equal access to opportunities regardless of age, gender, ethnicity, religion, national origin, disability, sexual orientation, or any other relevant characteristics; – Eliminating Improper Conduct: Implementing measures to eliminate improper conduct and practices, including workplace bullying, discrimination, and harassment of any form; – Empowerment and Growth: Nurturing and empowering employees by supporting personal and professional growth; – Upholding Workers' Rights: Respecting and safeguarding fundamental workers' rights, including the elimination of child labour and forced labour; – Community Engagement: Contributing to the wellbeing and development of the surrounding community through corporate social responsibility programs, employee volunteerism, and job creation; <p><u>Governance Practices:</u></p> <ul style="list-style-type: none"> – Ethical Business Practices: Maintaining high standards of business ethics, integrity, and corporate governance practices; – Enhanced Corporate Governance: Establishing and continually improving appropriate governance structures and processes; – Legal Compliance: Ensuring compliance with all applicable laws and regulations regarding corporate governance; – Transparent Complaint Handling: Resolving verifiable complaints, grievances, and conflicts through an open, transparent, and consultative process; and – Robust Internal Controls: Enforcing policies and procedures to guarantee the sufficiency and integrity of the Group's internal control system.
<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>	

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>In order to obtain a more holistic view on sustainability risks and opportunities of the company/ group, it is critical to consider these sustainability matters from both the internal and external perspectives. Hence, in identifying sustainability matters that are material to TSA, we have performed stakeholder engagement, to identify key stakeholders to the Company, and through engagement with key stakeholders internally and assessment performed by the Company/ Group, identified sustainability matters that are material to the Company/ Group (i.e. the materiality assessment process).</p> <p>Upon identifying the Material Sustainability Matters ("MSM"), we identify strategies and targets relevant to these MSM, where relevant, taking into consideration of the key sustainability focus areas (as stated in Practice 4.1 above). These strategies and targets will then form the benchmark where our business operations and management of the MSM are based on, and will be reviewed from time-to-time.</p> <p>The Board of Directors ("Board") recognises the importance of not only practicing sustainable practices in its day-to-day operations, but also the need to communicate these strategies, priorities, targets as well as performance against these targets internally and to external stakeholders. The key sustainability focus areas were communicated to stakeholders through the initial public offering prospectus whereas the MSM together with its priorities, targets and performance against the targets, where relevant, are disclosed in the Sustainability Statement of this Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
------------------	---	--	--

Intended Outcome

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

Practice 4.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors (“Board”) is ultimately responsible for sustainability practices and performances. The Board shall oversee that sustainability is integrated into the strategic direction of the Group and also drives the Group’s sustainability practices.</p> <p>In order to discharge its oversight role effectively, we acknowledge that it is important for Board members to possess sufficient understanding and knowledge of sustainability issues that are relevant to the Company and its business, including climate-related risks and opportunities.</p> <p>The Board Charter has under the duties and responsibilities of the Board, require the Board to have sufficient understanding and knowledge of sustainability issues that are relevant to the Company and its business, which include the need to identify professional development needs concerning sustainability and also a change in composition periodically to enable the Board to provide the required oversight of sustainability issues, as well as bringing new skills and perspectives to the boardroom.</p> <p>During the financial year under review, the Management team (including Executive Directors) have attended and participated in a sustainability workshop, where the session covers a briefing on sustainability and also the materiality assessment workshop to discuss on sustainability matters that are material [material sustainability matters (“MSM”)] to the Group, including the internal controls, performance and also targets for the MSM.</p> <p>During the financial year, selected Board members have also participated in sustainability related training, details of which are listed in the Corporate Governance Overview Statement.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Prior to listing on the ACE Market of Bursa securities, performance of the Board of Directors ("Board") and Senior Management in addressing the Company's material sustainability risks and opportunities was not practiced.</p> <p>The Board understands that sustainability performance of the Company/ Group shall be tied to performance evaluation of the Board and Senior Management, to promote accountability and a more objective evaluation of the Company/ Group's performance as a whole.</p> <p>At TSA, the evaluation of Directors (through the Annual Evaluation Form) includes consideration on sustainability, where it will be used in the upcoming Board evaluation through a self-review facilitated by the Nominating Committee. This evaluation covers amongst others, the involvement of the Board, effectiveness of the oversight role and also on the commitment to personal development in relation to sustainability.</p> <p>Furthermore, the Board is looking into ways to implement performance measures in respect of sustainability for the upcoming Senior Management assessment.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	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 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>To ensure the Company's leadership is equipped with the right skills and experience to steer it through contemporary challenges and opportunities, and towards its long-term strategy and goals, the Board of Directors ("Board") understands that adequate mix of skills and diversity (in terms of age and gender) of the Board is critical, considering amongst others, new skills and fresh perspectives, capable of questioning the status quo, etc.</p> <p>One of the key responsibility of the Nominating Committee is to ensure effective functioning of the Board and the Board Committees, hence in the appointment of new Directors and during annual assessment of the Board, Board Committee and individual Directors, moving forward, the Nominating Committee considers various key criteria, including skills, knowledge, experience, diversity, time commitment, character, integrity, etc.</p> <p>TSA has in the Terms of Reference of the Nominating Committee ("NC"), established the need for the NC to:</p> <ul style="list-style-type: none">• assess and examine, on an annual basis or as and when required, the size and composition of the Board and Board Committees, with a view to determining the impact of the number upon its effectiveness;• ensure sufficient diversity and independence in the Board in order to achieve greater depth and breadth in the decision-making process;• review on annual basis, the required mix of skills, experience, gender diversity and other qualities including core competencies which Non-Executive Directors, Executive Directors and Senior Management should have;• review on annual basis, the meeting attendance of the Directors at the Board and/or Board Committee(s) Meetings and the sufficiency of the time commitment of the Directors in discharging their roles and responsibilities in the Company;• assess on an annual basis, utilising the Board and Board Committees Annual Evaluation Forms for Board Effectiveness Assessment, i.e. the effectiveness of the Board, the Board Committees and the contribution and performance of each individual Director;

	<ul style="list-style-type: none"> • review on annual basis, the length of service of each Independent Non-Executive Director and to assess their independence and ability to exercise their independent judgement or the ability to act in the best interest of the Company; • consider and recommend the re-election of Directors who will be retiring pursuant to the Company's Constitution; and • ensure that annual re-election of a director should be contingent on a satisfactory evaluation of the director's performance and contribution to the board and to consider and recommend to the Board concerning the re-election/re-appointment of the Director to the Board pursuant to the provisions in the Company's Constitution and Fit and Proper Policy. <p>Fit and Proper assessment had been conducted on the re-election of the Directors at the forthcoming AGM.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 5.2

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

Application	:	Applied																
Explanation on application of the practice	:	<p>The Board of Directors (“Board”) understands the benefits of Independent Non-Executive Directors (“INED”) bringing objectivity to the oversight function of the Board, where these directors are able to debate with and challenge the Senior Management team in a relatively more unbiased manner compared to Executive Directors who play a key role in running the business.</p> <p>TSA has in the Board Charter, provides that the Board composition shall be in compliance with the ACE Market Listing Requirements of at least one third of its members are INED, but also strive to fulfil this MCCG’s practice of at least half of the Board comprises of INED.</p> <p>The Board consists of seven (7) directors, four (4) of which are INED and the remaining three (3) being Executive Directors, details of which are as follows:</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Directorship</th> <th>Name</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Independent Non-Executive Chairman</td> <td>• Lim Hun Soon @ David Lim</td> </tr> <tr> <td>2</td> <td>Group Managing Director</td> <td>• Chew Kuan Fah</td> </tr> <tr> <td>3</td> <td>Executive Director</td> <td>• Chew Yik Wai • Ng Kim Liang</td> </tr> <tr> <td>4</td> <td>Independent Non-Executive Director</td> <td>• Chong Chin Look • Karmjit Kaur A/P Sarban Singh • Shahira Binti Abdul Aziz</td> </tr> </tbody> </table>		No.	Directorship	Name	1	Independent Non-Executive Chairman	• Lim Hun Soon @ David Lim	2	Group Managing Director	• Chew Kuan Fah	3	Executive Director	• Chew Yik Wai • Ng Kim Liang	4	Independent Non-Executive Director	• Chong Chin Look • Karmjit Kaur A/P Sarban Singh • Shahira Binti Abdul Aziz
No.	Directorship	Name																
1	Independent Non-Executive Chairman	• Lim Hun Soon @ David Lim																
2	Group Managing Director	• Chew Kuan Fah																
3	Executive Director	• Chew Yik Wai • Ng Kim Liang																
4	Independent Non-Executive Director	• Chong Chin Look • Karmjit Kaur A/P Sarban Singh • Shahira Binti Abdul Aziz																
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 5.3

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors ("Board") acknowledges the importance of the Independent Non-Executive Directors ("INED") to the Board, where they bring objectivity to the oversight function of the Board. To ensure effectiveness of the INED, it is critical that INED are both independence in mind and in appearance, hence, the need to limit the tenure of the INED to not exceeding a cumulative term of nine (9) years, unless the Board can determine that the independence of the director has not been impaired.</p> <p>Although all four (4) of TSA's INED were appointed in year 2022 and hence have yet to reach the nine (9) year tenure limit, the Board Charter has provided the following in regards to the tenure:</p> <ul style="list-style-type: none"> • upon completion of the nine (9) years, the independent director may continue to serve on the Board beyond the nine (9)-year tenure provided the independent director is re-designated as a Non Independent Director; and • if the Board intends to retain the Independent Director beyond nine (9) years, the Board should justify and seek annual shareholders' approval through a two-tier voting process annually, upon the recommendation from the Nominating Committee.
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 5.4 - Step Up

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

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

Application	:	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 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors (“Board”) recognises that appointing the right person to the leadership team with the right skills, experience, and credibility is critical. Furthermore, to avoid “groupthink”, it is imperative that the Board and Senior Management has diversity in the form of skills, experience, age, cultural background and gender. Apart from competency and capability, personal qualities and time-commitment of a Director and Senior Management are equally important.</p> <p>As established in the Terms of Reference of the Nominating Committee (“NC”), the key responsibilities of the NC include to:</p> <ul style="list-style-type: none">• assess and recommend to the Board, suitable candidates for the appointment to the Board for approval, either to fill vacancies or as an addition to meet the changing needs of the Company, based on objective criteria, merits and with due regard for diversity including gender diversity, skills, experience, age, cultural background and other factors that will best qualify a nominee to serve on the Board;• use of the Fit and Proper Policy that comprises of selection criteria and processes, and recruitment process to assess and thereafter if deemed fit, recommend to the Board, candidates for all directorships of the Company and members of the relevant Board Committees;• consider and recommend to the Board concerning the re-election/re appointment of the Director to the Board pursuant to the provisions in the Company’s Constitution and Fit and Proper Policy; and• review on annual basis, the meeting attendance of the Directors at the Board and/or Board Committee(s) Meetings and the sufficiency of the time commitment of the Directors in discharging their roles and responsibilities in the Company. <p>Further to the above, TSA has also included in the Board Charter, the following requirements in relation to time commitment from its Board members:</p> <ul style="list-style-type: none">• must not hold more than five (5) directorships in listed issuers;

	<ul style="list-style-type: none"> • to achieve at least 50% attendance of total Board Meetings each year; and • before the acceptance of new board appointment(s) in other companies, the said Director should notify the Chairman of the Board and/or the Company Secretary in writing. The said notification should include an indication of the time that will be spent on the new appointment. <p>During the financial year under review, a total of five (5) Board meetings were held, where all seven (7) directors attended all the five (5) meetings.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors (“Board”) recognises that should the appointment of a director are only from recommendations of existing board members, management or major shareholders, it could create a scenario where the directors are beholden to the nominator which could undermine the director’s duties and responsibilities.</p> <p>Hence, TSA has in the Board Charter and Terms of Reference (“TOR”) of the Nominating Committee (“NC”), established the need for Board to not solely rely on recommendations from existing Board members, Management or shareholders when identifying candidates for appointment to the Board, and also that the Board shall endeavour to utilise independent sources or any other sources to identify suitably qualified candidates for the position.</p> <p>There were no Board members being appointed to the Board during the financial year under review. Nevertheless, should there be any new appointment in the future, the Board and NC will be guided by the Board Charter and NC’s TOR as above.</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 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>In order to enable shareholders to make an informed decision on the appointment and reappointment of a director, we understand that sufficiency of information and whether the Board supports the appointment or reappointment of a candidate and the reason thereof is vital and shall be disclosed.</p> <p>TSA has in the Board Charter, require the Board to provide the following information to the shareholders in relation to the appointment, re-election and re-appointment of directors:</p> <ul style="list-style-type: none"> • age; • relevant experience; • list of directorships; • date of appointments to the Board; • details of participation in Board Committees; and • whether a particular Director is independent. <p>The details above were provided in the notice of the upcoming general meeting for the directors that are subjected to re-election by rotation in the upcoming annual general meeting.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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

Application	: Applied						
Explanation on application of the practice	<p>The Nominating Committee (“NC”) is a key gatekeeper in the process of recruiting Directors, evaluating their performance and driving the continuous performance of the Board of Directors (“Board”).</p> <p>The principal objectives of TSA’s NC are to assist the Board in their responsibilities to:</p> <ul style="list-style-type: none"> • establish documented, formal and transparent procedures to support and advise the Board of the Company in overseeing the selection and also assessment of the suitability and performance of the Directors and Senior Management of the Company and its subsidiaries on an ongoing basis; • nominate new candidates to the Board, lead the succession planning of the Board and management, including future Chairman, Board members and Managing Director (“MD”) or Chief Executive Officer (“CEO”), if any (or any other person assuming similar roles and responsibilities); • reviewing and ensuring the appropriate size and composition of the Board and Board Committees on a periodic basis, and assessing the performance of the Board, the Board Committees and individual Director of the Company on an ongoing basis; and • ensure proper documentation of all assessments and evaluations on the effectiveness of the Board, the Board Committees and the contribution of each individual Director. <p>The Chairman of the NC of TSA is responsible to:</p> <ul style="list-style-type: none"> • lead the succession planning and appointment of Board members, and oversees the development of a diverse lineup for Board and management succession, including the future Chairman, Executive Directors and CEO; and • lead the annual review of board effectiveness, ensuring that the performance of each individual Director and Chairman of the Board are independently assessed. <p>The Board acknowledges the benefits of having an Independent Non-Executive Director (“INED”) as the Chairman of the NC to ensure objectivity and independent judgement during deliberations.</p> <p>The NC (including the Chairperson) of TSA solely consist of INED, details of which are as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">No.</th> <th style="width: 50%;">Position (in NC)</th> <th style="width: 40%;">Name</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	No.	Position (in NC)	Name			
No.	Position (in NC)	Name					

	1	Chairperson	• Shahira Binti Abdul Aziz
	2	Member	• Chong Chin Look • Karmjit Kaur A/P Sarban Singh
Explanation for departure :			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure :			
Timeframe :			

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure																																
Explanation on application of the practice	:																																	
Explanation for departure	:	<p>The Board of Directors (“Board”) understands and appreciates the value of gender diversity and contributions by women in the roles as Directors and Senior Management of the Company.</p> <p>The Board currently consist of 28.6% of women directors, details of which are as follows:</p> <table border="1"><thead><tr><th>No.</th><th>Name</th><th>Designation</th><th>Gender</th></tr></thead><tbody><tr><td>1</td><td>Lim Hun Soon @ David Lim</td><td>Independent Non-Executive Chairman</td><td>Male</td></tr><tr><td>2</td><td>Chew Kuan Fah</td><td>Group Managing Director</td><td>Male</td></tr><tr><td>3</td><td>Chew Yik Wai</td><td>Executive Director</td><td>Male</td></tr><tr><td>4</td><td>Ng Kim Liang</td><td>Executive Director</td><td>Male</td></tr><tr><td>5</td><td>Chong Chin Look</td><td>Independent Non-Executive Director</td><td>Male</td></tr><tr><td>6</td><td>Karmjit Kaur A/P Sarban Singh</td><td>Independent Non-Executive Director</td><td>Female</td></tr><tr><td>7</td><td>Shahira Binti Abdul Aziz</td><td>Independent Non-Executive Director</td><td>Female</td></tr></tbody></table> <p>Although the Board currently does not comprise of at least 30% women, the Board does not discriminate and promotes diversity, through the Board Diversity Policy, outlining that the Board supports the participation of women in the Board and Senior Management, including working towards the representation of at least 30% women directors in the Board composition. This entails attaining the 30% mark by October 2024, aligning with the assurance provided to Bursa Malaysia Securities Berhad.</p> <p>Further to the above, the Board composition complies with the amended ACE Market Listing Requirements, where the Company have at least one (1) woman director on the Board on or after 1 June 2023.</p> <p>As for the Senior Management personnel, it currently consist of 60% women representation, details of which are as follows:</p>	No.	Name	Designation	Gender	1	Lim Hun Soon @ David Lim	Independent Non-Executive Chairman	Male	2	Chew Kuan Fah	Group Managing Director	Male	3	Chew Yik Wai	Executive Director	Male	4	Ng Kim Liang	Executive Director	Male	5	Chong Chin Look	Independent Non-Executive Director	Male	6	Karmjit Kaur A/P Sarban Singh	Independent Non-Executive Director	Female	7	Shahira Binti Abdul Aziz	Independent Non-Executive Director	Female
No.	Name	Designation	Gender																															
1	Lim Hun Soon @ David Lim	Independent Non-Executive Chairman	Male																															
2	Chew Kuan Fah	Group Managing Director	Male																															
3	Chew Yik Wai	Executive Director	Male																															
4	Ng Kim Liang	Executive Director	Male																															
5	Chong Chin Look	Independent Non-Executive Director	Male																															
6	Karmjit Kaur A/P Sarban Singh	Independent Non-Executive Director	Female																															
7	Shahira Binti Abdul Aziz	Independent Non-Executive Director	Female																															

No.	Name	Designation	Gender
1	Loh Pei Ling	General Manager & Head of Procurement	Female
2	Tan Bee Hong	Head of Finance	Female
3	Lai Hoi Lian	Head of Human Resources	Female
4	Low Chan Kheun	Head of Engineering Production & Services	Male
5	Wong Foot Nam	Head of Sales Administration & Logistics	Male

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

Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 5.10

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges that the expectations on gender diversity have escalated due to emerging trends in governance and diversity, changing business and social landscape as well as the push from various stakeholders, including the government.</p> <p>TSA has in its Board Charter, established the Board Diversity policy, recognises that board diversity is an essential element contributing to the sustainable development of the Group and it does not discriminate based on ethnicity, age, gender, nationality, political affiliation, religious affiliation, marital status, education background or physical ability. This includes working towards the representation of at least 30% women directors in the Board composition. Women's participation in decision-making positions should not be focused on board positions alone but also be broadened to include women in senior management, as the same benefits apply. Diversity, when extended to senior management, will also serve as a talent pipeline for board candidacy.</p> <p>In making a recommendation of suitable candidates, the Nominating Committee shall refer to the Fit and Proper Policy as well as consider the following:</p> <ul style="list-style-type: none">• Character and Integrity;• Experience and competence;• Qualifications;• Skills and competence;• Functional knowledge;• Experience;• Character;• Gender diversity;• Integrity and professionalism;• Time and commitment;• Conflict of Interest; and• In the case of candidates for the position of Independent Directors, whether the test of independence under the Listing Requirements is satisfied.
Explanation for departure	:	

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

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The Board of Directors (“Board”) understands the need for annual evaluation to evaluate and self-examine the Board, its Committees and individual Directors on leadership, culture, delegation of duties, teamwork, decision making, etc., to measure and improve performances, where required, to enable the Board to operate efficiently and effectively.</p> <p>The duties and responsibilities for annual performance assessment of the Board, Board Committees, and individual Directors falls to the Nominating Committee (“NC”). The NC will use the Board and Board Committee Annual Evaluation Forms (“AEF”) questionnaire to evaluate the performance of the Board, Board Committees and individual Directors through a self-review system. The Directors’ responses are collated and reviewed by the NC, after which, shall provide a comprehensive summary of the findings and recommendations to the Board for further review and proposed actions. The AEF exercise covers amongst others, the following:</p> <ul style="list-style-type: none">• a skills matrix under the Fit and Proper Policy;• Board mix and composition;• quality of information and decision making;• boardroom activities;• composition of the Board Committees;• contribution and performance of the Board Committees;• effective role in managing material sustainability risks and opportunities; and• forward looking considerations such as mapping current board competencies against those required, to drive the Company’s future strategies. <p>Although independent expert was not engaged to facilitate objective and candid board evaluation as TSA does not fall under the definition of</p>

	a “large company”, the NC is authorised under its Terms of Reference to engage independent experts to facilitate the Board evaluation.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>TSA recognises that the need for a fair and transparent remuneration policy and procedures is increasingly important, recognising that the current business environment is becoming more complex as a result of rising stakeholder expectations, globalisation, technological advancements, and business model innovation, all of which necessitate remuneration packages to be aligned with the Company's long-term business sustainability.</p> <p>The Board is assisted by the Remuneration Committee ("RC") in relation to remuneration matters for the Directors and Senior Management, roles and responsibilities of which include the following:</p> <ul style="list-style-type: none">• support the Board in actively overseeing the design and operation of the Group's remuneration system to ensure corporate accountability and governance;• develop and administer a fair and transparent remuneration policy and procedure, including the fee structure and level of remuneration for Directors and Senior Management, taking into account the demands, complexities and performance of the Company as well as the skills and experience required. The Board determines who makes up Senior Management and if any other group of employees should be covered by the remuneration policies and procedures. The policies and procedures shall be reviewed periodically to ensure relevance to the Group and made available on the Company's website;• ensure the establishment of a formal and transparent procedures for developing policies, strategies and framework for the remuneration of the Executive Directors ("ED") and the Senior Management. The framework should encourage Executive Directors to act in ways that enhance the Company's long-term objectives and values, implement the policies and procedures on remuneration including reviewing and recommending matters

	<p>relating to the remuneration of the Board and the Senior Management pursuant to the provision in the Directors and Senior Management Policies and Procedures;</p> <ul style="list-style-type: none"> • review and assess the remuneration packages of the Directors and Senior Management in all forms, with or without other independent professional advice or other outside advice; • ensure the levels of remuneration are sufficiently attractive and be able to motivate, retain and reward the Executive Directors in order to run the Group and its business successfully; • ensure the level of remuneration or fees reflect the experience, roles and level of responsibilities undertaken by the particular Director; • recommend to the Board the remuneration packages of the Executive Directors and Directors’ fee and other benefits for Non-Executive Directors, with the awareness of what comparable companies are paying, taking account of relative performance and using such comparisons with caution; • when recommending the fee and other benefits for the Independent Directors, the Committee shall ensure it does not conflict with the Independent Directors’ obligation to bring objectivity and independent judgment on matters discussed at Board meetings. The Committee may draw advice and enlist the professional services of experts; • establish frequent communication with other board committees, namely Nominating Committee, to align remuneration policies and procedures to succession planning and talent management of executives, and Audit and Risk Management Committee to ensure risk outcomes are adequately considered in the design of remuneration policies and procedures; • act in line with the directions of the Board; • consider and examine such other matters as the Committee considers appropriate; and • consider any other matters as defined by the Board. <p>The Board has established a Directors and Senior Management’s Remuneration Policy and Procedures, where the objective was to:</p> <ul style="list-style-type: none"> • set employee and executive remuneration fairly, competitively and appropriately; and • ensure that the mix and balance of remuneration is appropriate to attract, motivate and retain talent in TSA and its subsidiaries. <p>Key details within the Remuneration Policy and Procedures are:</p> <ul style="list-style-type: none"> • all remuneration matters should be determined and approved by the Board. Through the RC, the Board establishes formal and transparent remuneration policies and procedures in order to attract and retain right talents in the Board and Senior Management to drive the Group’s long-term objectives; • the Board shall remunerate its EDs and Senior Management reasonably and fairly based on the market trends and conditions as well as the individual’s and Group’s performance. The
--	--

	<p>remunerations may include increment, bonus, incentives, benefits in kind, share option scheme and insurance scheme;</p> <ul style="list-style-type: none"> • for Independent Non-Executive Directors, their remuneration shall be determined individually or in aggregate based on their individual or collective experiences, level of responsibilities assumed in the Board Committees, their attendance and/or special skills and expertise they bring to the Board. The Board should also ensure that the remuneration and incentives for Independent Directors do not conflict with their obligation to bring objectivity and independent judgment on matters discussed at board meetings; and • individuals concerned should abstain from discussion and deciding of their own remuneration. Directors who are shareholders should also abstain from voting at general meetings to approve their own remuneration. <p>The abovementioned Directors and Senior Management's Remuneration Policy and Procedures is published on our corporate website at https://tsa.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 level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

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

Practice 7.2

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

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

Application	:	Applied										
Explanation on application of the practice	:	<p>The Board of Directors ("Board") recognises the importance and benefits of having a Remuneration Committee ("RC"), to set a clear and objective remuneration policies and procedures, and to exercise objectivity in determining remuneration for the Board and the Senior Management.</p> <p>To supervise remuneration-related matters, the Board has established a RC, comprises solely of Independent Non-Executive Directors, details of which are as follows:</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Position (in RC)</th> <th>Name</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Chairperson</td> <td>• Karmjit Kaur A/P Sarban Singh</td> </tr> <tr> <td>2</td> <td>Member</td> <td>• Chong Chin Look • Shahira Binti Abdul Aziz</td> </tr> </tbody> </table> <p>The RC is guided by a formalised Terms of Reference, which is made available on our corporate website at https://tsa.com.my/.</p>		No.	Position (in RC)	Name	1	Chairperson	• Karmjit Kaur A/P Sarban Singh	2	Member	• Chong Chin Look • Shahira Binti Abdul Aziz
No.	Position (in RC)	Name										
1	Chairperson	• Karmjit Kaur A/P Sarban Singh										
2	Member	• Chong Chin Look • Shahira Binti Abdul Aziz										
Explanation for departure	:											
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>												
Measure	:											
Timeframe	:											

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>We understand that Directors' remuneration has often attracted public attention. Shareholders of the Company would like to understand the reasonableness of the Directors' remuneration as to safeguard their investments.</p> <p>The remuneration paid to Directors of the Group and the Company for the financial year ended 31 December 2023 are as follows:</p>

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Lim Hun Soon @ David Lim	Independent Director	36	3	0	0	0	2	41	36	3	0	0	0	2	41
2	Chew Kuan Fah	Executive Director	0	0	0	0	0	0	0	0	92	720	250	0	118	1,180
3	Chew Yik Wai	Executive Director	0	0	0	0	0	0	0	0	92	456	150	0	73	771
4	Ng Kim Liang	Executive Director	0	0	0	0	0	0	0	0	98	456	150	0	74	778
5	Chong Chin Look	Independent Director	12	3	0	0	0	0	15	12	3	0	0	0	0	15
6	Karmjit Kaur A/P Sarban Singh	Independent Director	12	3	0	0	0	0	15	12	3	0	0	0	0	15
7	Shahira Binti Abdul Aziz	Independent Director	12	3	0	0	0	0	15	12	3	0	0	0	0	15
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

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

Practice 8.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	In view of the competitive nature of the human resource market and sensitivity of such information, the Board considers the disclosure of such information to be detrimental to the Company and the individual.	
		However, the Board of Directors ("Board") understands that shareholders should also be allowed to determine if the Senior Management team is being appropriately compensated, hence, have disclosed the aggregated remuneration paid to the Senior Management team for the financial year 31 December 2023 in the range of RM50,000 as follows on an unnamed basis:	
		Range of remuneration (RM)	Number of Senior Management
		100,001 to 150,000	1
		150,001 to 200,000	2
		200,001 to 250,000	1
		250,001 to 300,000	1
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied									
Explanation on application of the practice	:	<p>TSA recognises the need for objectivity is particularly important for the Chairman of the Audit Committee, as the committee has a specific role in providing objective oversight in the areas of financial reporting, related party transactions and conflicts of interest, internal control environment, internal audit and external audit processes. The Chairman is expected to demonstrate courage to deal with tough issues and support other members to do the same, especially in probing management on areas where subjectivity is inherent.</p> <p>In addition to being independent, it is important for the Chairman of the Audit Committee to be distinct from the Chairman of the Board of Directors ("Board"). Having these positions assumed by the same person may impair objectivity of the Board's review of the Audit Committee's findings and recommendations.</p> <p>TSA has an Audit and Risk Management Committee ("ARMC") consisting entirely of Independent Non-Executive Directors, details of which are as follows:</p> <table border="1"><thead><tr><th>No.</th><th>Position (in ARMC)</th><th>Name</th></tr></thead><tbody><tr><td>1</td><td>Chairperson</td><td>• Chong Chin Look</td></tr><tr><td>2</td><td>Member</td><td>• Karmjit Kaur A/P Sarban Singh • Shahira Binti Abdul Aziz</td></tr></tbody></table> <p>The Chairman of the ARMC, Chong Chin Look, is not the Chairman of the Board, i.e. Lim Hun Soon @ David Lim.</p> <p>The ARMC is guided by the Terms of Reference ("TOR") which defines amongst others, the composition, authority, and roles and responsibilities of the Committee. The ARMC's TOR is made available on our corporate website at https://tsa.com.my/.</p>	No.	Position (in ARMC)	Name	1	Chairperson	• Chong Chin Look	2	Member	• Karmjit Kaur A/P Sarban Singh • Shahira Binti Abdul Aziz
No.	Position (in ARMC)	Name									
1	Chairperson	• Chong Chin Look									
2	Member	• Karmjit Kaur A/P Sarban Singh • Shahira Binti Abdul Aziz									
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 an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>TSA recognises that the auditor's independence may be jeopardised if a former partner of the external audit firm (including those providing advisory services, tax consulting, and other similar services) is in a position to exert significant influence over the audit and preparation of the Company's financial statements. Hence, requiring a three-year cooling-off period before such person can be appointed to the Audit Committee.</p> <p>TSA's Audit and Risk Management Committee ("ARMC") is guided by its Terms of Reference, in which also requires that any former key audit partner of the Company's External Auditors and/or its affiliates firm who is to be appointed as a member of the Committee must observe a cooling-off period of at least three (3) years before he is appointed as a member of the Committee.</p> <p>Furthermore, none of the existing ARMC members (including Chairperson) are former partner of TSA's external audit firm.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>Financial statements are integral to investors and other stakeholders to make informed decision-making, hence safeguarding the integrity and credibility of the financial statements is important. The performance of audit on the financial statements shall be performed by a competent third party, and it is the role of the Audit Committee to ensure the suitability, objectivity and independence of this external party (i.e. external auditor) in order to safeguard the quality and reliability of the Company's financial statements.</p> <p>TSA has established the Review of the Effectiveness of External Auditors and Internal Audit Function of the Company document, where it provides the Audit and Risk Management Committee ("ARMC") a platform to assess the External and Internal Auditors. The said document provides the objective and process for assessment, and also a questionnaire to assess both the External and Internal Auditors. The assessment shall be conducted annually, in line with the ARMC's Terms of Reference.</p> <p>The ARMC has assessed the suitability, objectivity and independence of document the existing external auditor (i.e. Crowe Malaysia PLT) (including considering information disclosed in the Annual Transparency Report) and will recommend to the shareholders in the upcoming Annual General Meeting for re-appointment.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted									
Explanation on adoption of the practice	:	<p>The Board of Directors ("Board") of TSA recognises that a wholly independent Audit Committee would strengthen the Company's corporate governance practices and processes, and are more likely to lead to objective support and protect its external auditors' independence, especially during a dispute with Management.</p> <p>Hence, the Board reflected this into the composition of the Audit and Risk Management Committee ("ARMC"), where the ARMC is chaired by and comprise solely of Independent Non-Executive Directors ("INED") as follows:</p> <table border="1"><thead><tr><th>No.</th><th>Position (in ARMC)</th><th>Name</th></tr></thead><tbody><tr><td>1</td><td>Chairperson</td><td>• Chong Chin Look</td></tr><tr><td>2</td><td>Member</td><td>• Karmjit Kaur A/P Sarban Singh • Shahira Binti Abdul Aziz</td></tr></tbody></table>	No.	Position (in ARMC)	Name	1	Chairperson	• Chong Chin Look	2	Member	• Karmjit Kaur A/P Sarban Singh • Shahira Binti Abdul Aziz
No.	Position (in ARMC)	Name									
1	Chairperson	• Chong Chin Look									
2	Member	• Karmjit Kaur A/P Sarban Singh • Shahira Binti Abdul Aziz									

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors ("Board") acknowledge that the core function of the Audit Committee includes the overseeing and providing advice to the Board on areas of financial reporting, related party transactions and conflict of interest, internal control environment, internal audit and external audit processes. The undertaking of such responsibilities would necessitate Audit Committee members to be financially literate in order to critically and objectively apply a probing view on pertinent matters, particularly in areas which involve a high degree of judgment.</p> <p>TSA's Audit and Risk Management Committee ("ARMC")'s Terms of Reference specified the following amongst others, in relation to its composition:</p> <ul style="list-style-type: none">• all members of the Committee shall be preferably financially literate, able to understand matters under the purview of the Committee and have a sufficient understanding of the Company's business; and• all members of the Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules. <p>All three (3) of TSA's ARMC members have vast experience and are qualified in their respective fields, which also made them financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process. Further to the above, the Chairperson of the ARMC, Chong Chin Look, is a member of the Malaysian Institute of Certified Public Accountants ("MICPA") and Malaysian Institute of Accountants ("MIA").</p> <p>The profiles of the three (3) ARMC members are reported in 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

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>TSA recognises that every path taken by the Board of Directors (“Board”) and Management in pursuit of a business goal or plan has its risks. Dealing with risk in these choices is an aspect of decision-making, from day-to day operational decisions to fundamental trade-offs in the boardroom.</p> <p>Risk management and internal controls are the foundation methods and frameworks for managing, monitoring, and mitigating risks in order to maximise the possibility of achieving set objectives and goals. Controls, according to that definition, are the actions performed by Management to plan, organise, and direct the execution of sufficient measures to provide reasonable assurance that objectives and goals will be met.</p> <p>TSA has adopted a Risk Management Framework which is applicable to the Group, to identify, assess, monitor, report, and mitigate risks affecting the Group's business and supporting activities. The risk management methodology used are guided by both COSO ERM Framework and ISO 31000:2018 Risk Management - Guidelines.</p> <p>The Group’s internal audit function has been outsourced to an independent professional service firm to provide an independent assurance to the Board on the adequacy and effectiveness of the Group’s system of internal control.</p> <p>Further details on risk management and internal control are available on the Statement on Risk Management and Internal Control of the Annual Report.</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 10.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>TSA understands that an adequate and effective internal control and risk management framework provides companies with a structured approach to implement, monitor, review and improve internal control and risk management in tandem with the changing business circumstances.</p> <p>The main components of TSA’s risk management and internal control framework are detailed in the Statement on Risk Management and Internal Control 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

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

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

Practice 10.3 - Step Up

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

Application	:	Adopted									
Explanation on adoption of the practice	:	<p>TSA acknowledges that a key driver for the establishment of a Board Risk Management Committee is the need for comprehensive views as opposed to silo perspectives. Without a Board Risk Management Committee, it may give rise to omission of critical risks that are unattended due to absence of committee overseeing.</p> <p>TSA has established a Risk Management Committee, which is combined with the Audit Committee to form the Audit and Risk Management Committee ("ARMC"). This committee is chaired by and comprise solely of Independent Non-Executive Directors, details of which are as follows:</p> <table border="1"><thead><tr><th>No.</th><th>Position (in ARMC)</th><th>Name</th></tr></thead><tbody><tr><td>1</td><td>Chairperson</td><td>• Chong Chin Look</td></tr><tr><td>2</td><td>Member</td><td>• Karmjit Kaur A/P Sarban Singh • Shahira Binti Abdul Aziz</td></tr></tbody></table>	No.	Position (in ARMC)	Name	1	Chairperson	• Chong Chin Look	2	Member	• Karmjit Kaur A/P Sarban Singh • Shahira Binti Abdul Aziz
No.	Position (in ARMC)	Name									
1	Chairperson	• Chong Chin Look									
2	Member	• Karmjit Kaur A/P Sarban Singh • Shahira Binti Abdul Aziz									

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>TSA recognises the importance of the internal audit function, serving as a sounding board on deficiencies in risk management, internal control and governance processes, and provides advice on the remedial measures to be meted out by the Company.</p> <p>In order for the internal audit function to provide objective assurance on the quality of a Company's risk management, internal control and governance processes, it is imperative to ensure that this function is well-equipped to deliver the depth and quality of the work that is expected of it.</p> <p>The Company's internal audit function is outsourced to Sterling Business Alignment Consulting Sdn Bhd, an independent professional consulting and advisory firm. The firm has during the financial year under review, performed a pre-listing internal control review. Moving forward, Sterling Business Alignment Consulting Sdn Bhd will be the Group's internal audit function, and shall have full and direct access to the Audit and Risk Management Committee ("ARMC"), and the ARMC receives reports on all internal audits conducted, including significant results and recommendations for improvement. The ARMC, through its internal auditors, monitors action plans and the status thereof on a regular basis.</p> <p>TSA has established the Review of the Effectiveness of External Auditors and Internal Audit Function of the Company document, where it provides the ARMC a platform to assess the External and Internal Auditors. The said document provides the objective and process for assessment, and also a questionnaire to assess both the External and Internal Auditors. The assessment shall be conducted annually, in line with the ARMC's Terms of Reference.</p> <p>The ARMC has conducted a review on the IA during the year and is satisfied with the performance of the IA.</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

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

Practice 11.2

The board should disclose—

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

Application	:	Applied
Explanation on application of the practice	:	<p>TSA was only listed on 2 February 2024. Nevertheless, in preparation for the listing of the Company on the ACE Market of Bursa Malaysia Securities Berhad, the Company engaged Sterling Business Alignment Consulting Sdn Bhd (“Sterling”), an independent professional firm, to assess the Group’s internal control system in general and its prospective compliance with the relevant listing requirements in respect to the internal control state, risk management and corporate governance. The review was carried out for the following specified key functional areas includes Finance and accounts, Credit control, Sales and marketing, Procurement, Production, Quality control, Inventory management, Maintenance, Logistics, Human resources, Administration, Safety and health management and Management information system.</p> <p>Subsequently, TSA outsourced its internal audit function to Sterling. The outsourced internal audit function, effective FYE 2024, will be primarily responsible to independently assess and report to the Board of Directors, through the ARMC, the adequacy and integrity of the Group’s risk management and internal control system.</p> <p>Dr. So Hsien Ying, the Person-In-Charge of TSA’s internal audit (i.e. Principal Consultant), has more than 29 years of experience in corporate planning, business process improvement, risk management, internal audit and internal control review. She is a Doctor in Business Administration (Wales), Master in Business Administration (Finance) (Hull), BSc Economics (Hons) (London), a Certified Internal Control Professional (US), a permanent member of the Internal Control Institute (US), an associate member of the Institute of Internal Auditors Malaysia (“IIAM”) and a member of the Malaysian Alliance of Corporate Directors and Associate. She is supported by two (2) to three (3) internal audit staff for the internal control review for the financial year 2023.</p> <p>Sterling adopts a risk-based approach in developing the internal audit plan, which addresses the core business processes of the Group based on their risk profile. Scheduled internal audits will be carried out by the internal auditors based on the internal audit plan presented to and</p>

	<p>approved by the ARMC from FYE 2024 onwards. The internal audit work will be guided by the Committee of Sponsoring Organisations of the Treadway Commission (“COSO”) Internal Control – Integrated Framework.</p> <p>Sterling has declared that it has and will maintained professional independence throughout its work. For this reason, the internal audit function, including all of its staff, is and will not be involved in performing routine non-auditing works or have direct responsibility over any activities, functions or tasks they are reviewing.</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

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors ("Board") of TSA understands the need of maintaining an open line of communication between the Board, shareholders, and the general public.</p> <p>The primary methods of communicating information on the Company's commercial activities and financial performance are annual reports, press releases, quarterly results, and any announcements on material corporate exercises, which can be accessed at any time.</p> <p>The Chairman and Group Managing Director are the designated spokespersons for all matters relating to the Company and dedicated personnel are tasked to prepare and verify material information guided by the Company's Corporate Disclosure Policy for timely disclosure upon approval by the Board.</p> <p>The Company maintains a website at https://tsa.com.my/ for shareholders and the public to access information on, amongst others, the Group's overview (including history and milestones), products, financial performance and corporate information.</p> <p>Stakeholders can at any time seek clarification or raise queries via our corporate website, email, telephone or WhatsApp of the Company.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company acknowledges that notices of Annual General Meeting (“AGM”) shall be despatched to shareholders at least 28 days before the AGM to provide shareholders sufficient time to read and understand the Annual Report, resolutions to be tabled and make the required attendance and voting arrangements.</p> <p>As TSA has only been listed on the ACE Market of Bursa Malaysia Securities Berhad on 2 February 2024, the upcoming AGM will be the inaugural AGM since the listing, and we shall endeavour to issue the notice of AGM to the shareholders at least 28 days prior to the meeting.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>We acknowledge that the participation of all Board of Directors (“Board”) members in general meetings will serve to distribute the responsibility of engaging with shareholders, to all Directors of the Company and not just the Chairman of the meeting. This would enable the Board to communicate with shareholders in a more holistic manner. In a similar vein, it also provides Shareholders with an opportunity to seek pertinent clarifications from Directors who are acting as custodians of their investments. Shareholders could perceive that a Director is not committed in performing his or her responsibilities to the Company if the said Directors is not in attendance during general meetings.</p> <p>As TSA has only been listed on the ACE Market of Bursa Malaysia Securities Berhad on 2 February 2024, the upcoming AGM will be the inaugural AGM since the listing, and we shall endeavour to have all our Directors to be present at the aforementioned AGM.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>Traditionally, voting during general meetings has been carried out either by a show of hands, which represents “one person, one vote” or by poll, which is reflective of an individual or entity’s shareholding of the company (“one share, one vote”). In order to cast a vote, Shareholders have to be present at the meeting venue, but may often face with challenges such as the location of the meeting.</p> <p>To encourage participation of Shareholders, we will leverage on technology to facilitate voting and remote Shareholder’s participation.</p> <p>The upcoming AGM will be carried out remotely, where Shareholders can participate and vote remotely through the TIIH Online.</p> <p>Prior to engaging Tricor Investor & Issuing House Services Sdn Bhd for the TIIH Online, we have considered cyber hygiene practices including data privacy and security to prevent cyber threats of the TIIH Online.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: The Board of Directors ("Board") acknowledges that the Annual General Meeting ("AGM") is the principal forum for communication and interaction with Shareholders. At the meeting, the Board reports on the Company's development and performance for the year. As TSA has only been listed on the ACE Market of Bursa Malaysia Securities Berhad on 2 February 2024, the upcoming AGM will be the inaugural AGM since the listing, and we shall endeavour to provide Shareholders with the opportunity to submit questions prior to and during the AGM. The questions raised are expected to be mainly answered by the Group Managing Director supported by the Head of Finance (apart from questions raised directly to individual Director), and any unanswered questions (e.g. due to time constraint) shall be answered through email subsequent to the meeting.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application	: Applied
Explanation on application of the practice	: The Board of Directors (“Board”) of TSA recognises the importance of providing the opportunity for shareholders to have real-time interactions with the Board and Senior Management in real time, including responses to any questions or comments that they may have. When a company conducts the general meeting virtually, the experience of meeting will depend on smooth broadcast of the meeting. As TSA has only been listed on the ACE Market of Bursa Malaysia Securities Berhad on 2 February 2024, the upcoming AGM will be the inaugural AGM since the listing, and we shall endeavour to provide a smooth and interactive virtual AGM to our shareholders. We will perform testing on the infrastructure in place and experience prior to the meeting.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: TSA recognises the need to publish as soon as practicable, a complete and comprehensive recording (in the form of meeting minutes) of the general meeting detailing proceedings and issues or concerns raised by Shareholders, and the responses by the Company, as to many Shareholders, the general meeting is the only opportunity to directly pose questions and comments to the Company’s Board of Directors (“Board”) and Management. As TSA has only been listed on the ACE Market of Bursa Malaysia Securities Berhad on 2 February 2024, the upcoming AGM will be the inaugural AGM since the listing, and we shall endeavour to circulate minutes of the general meeting to shareholders no later than 30 business days after the general meeting.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

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

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

Click or tap here to enter text.

