

CORPORATE GOVERNANCE REPORT

STOCK CODE : 8923
COMPANY NAME : JIANKUN INTERNATIONAL BERHAD
FINANCIAL YEAR : December 31, 2020

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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board of Jiankun International Berhad ("Jiankun" or "the Company") is responsible for the leadership, oversight and overall management of the Company. An effective Board is the one that made up of a combination of Deputy Executive Chairman and Executive Directors with intimate knowledge of the business and Non-Executive Directors from diversified industry/business background to bring broad business and commercial experience to the Group. The Board has the overall responsibility for corporate governance, establishing goals, strategies and direction, reviewing the Group's performance and critical business issues and ultimately the enhancement of long-term shareholders' value. It monitors and delegates the implementation of the strategic direction to the management.</p> <p>The Board reviews the strategic plan of the Company tabled by Management at its meeting. The review would cover the performance targets and long-term plans of the Company to be met by Management. On an annual basis, the Deputy Executive Chairman and Executive Directors and Management review with the Board the outlook of the relevant industries for the following financial year.</p> <p>The Board's role is to oversee the performance of the management to determine whether the business is properly managed. The Board gets updates from Management at the quarterly Board meetings when reviewing the unaudited quarterly results. During such meetings, the Board participated actively in the discussion on the performance of the Company and assessed the performance of the Management.</p> |

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| | <p>The Board has a formal schedule of matters reserved for its decision which include, amongst others, the following: -</p> <ul style="list-style-type: none"> i. Reviewing, evaluating and adopting strategic business plans for the Company which will enhance the future growth of the Company; ii. Reviewing and evaluating key policies adopted by the Company; iii. Overseeing the conduct of the Company's businesses to evaluate whether the businesses are being properly managed; iv. Identifying principal risks and ensuring the implementation of appropriate risk management process/framework and adequate internal control systems to identify, analyse, evaluate, manage and control significant financial and business risks; v. Reviewing the adequacy and integrity of the Company's internal control systems and management information systems; vi. Establish Board committees and be responsible for all decisions made by the committees; vii. Reviewing and approving unaudited quarterly results and audited financial statements; viii. To ensure all candidates appointed to senior management positions are of sufficient calibre and satisfied that there are programmes in place to provide for the orderly succession of senior management; and ix. Overseeing the development and implementation of a shareholder communications policy for the Company. |
| <p>Explanation for departure</p> | <p>: N/A</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>: N/A</p> |
| <p>Timeframe</p> | <p>: N/A</p> |

Intended Outcome

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

Practice 1.2

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>During the period from 1 January 2020 to 22 December 2020, the Executive Chairman, Dato' Ir Lim Siang Chai acting as facilitator at meetings of the Board to ensure the discussion takes place effectively and constructively, the opinion of all directors relevant to the subject under discussion are solicited and freely expressed, and that the Board discussions lead to appropriate decisions.</p> <p>On 22 December 2020, the Company appointed Tan Sri Dato' Sri Mohamed Apandi Bin Ali as an Independent Non-Executive Chairman of the Company who is responsible for instilling good corporate governance practices, leadership and effectiveness of the Board. The Chairman of the Board is from legal industry background with many years of diverse experience.</p> <p>The Chairman has also from time to time communicate with Executive Directors and senior management to ensure that the Company complies with all relevant laws and regulations. The Chairman also playing the role to promote and leading the Group to apply recommended best practices relevant to the Group.</p> |
| Explanation for departure | : | N/A |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | N/A |
| Timeframe | : | N/A |

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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>There is a clear division of role and responsibility between the Chairman and Chief Executive Officer to ensure a balance of power and accountability for the Board to make well-considered decisions. The Chairman leads and ensures effective and comprehensive Board discussion on strategic issues, business planning, other matters brought to the Board and responsible for the Board's effectiveness and standard of conduct.</p> <p>The Chief Executive Officer together with the Executive Director, Executive Deputy Chairman and senior management team oversee the business operations and development of the Company as well as implementation of policies and ensure that strategies, policies and matters approved by the Board are effectively implemented. The Chief Executive Officer also provide overall oversight, guidance, advice between the Board of Directors and Management.</p> |
| Explanation for departure | : | N/A |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | N/A |
| Timeframe | : | N/A |

Intended Outcome

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

Practice 1.4

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Company uses an out-sourced secretarial services firm namely Boardroom.com Sdn Bhd which provides the Company with two named Company Secretaries, Mr Tan Tong Lang and Ms Thien Lee Mee that meet the qualified requisites to act as Company Secretary in accordance with Section 235 and Section 236(3) of the Companies Act, 2016.</p> <p>The Board has ready and unrestricted access to the advice and services of the Company Secretaries, who are considered capable of carrying out the duties to which the post entails. The Directors may seek advice from the management on issues under their respective purview. The Directors may also interact directly with the management, or request further explanation, information or updates on any aspect of the Company's operations or business concerns from them.</p> <p>In performing their duties, the Company Secretaries carry out, amongst others, the following tasks:-</p> <ul style="list-style-type: none">• Statutory duties as required under the Companies Act 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"), Capital Market and Services Act, 2007;• Facilitating and attending Board Meetings and Board Committee Meetings, respectively;• Facilitating and attending the General Meeting(s);• Ensuring that Board Meetings and Board Committee Meetings, respectively are properly convened and the proceedings are properly recorded;• Ensuring timely communication of the Board level decisions to the Management for further action;• Ensuring that all appointments to the Board and/or Board Committees are properly made in accordance with the relevant regulations and/or legislations;• Maintaining records for the purpose of meeting statutory obligations of applicable jurisdictions;• Facilitating the provision of information as may be requested by the Directors from time to time in a timely manner and ensuring adherence to Board policies and procedures;• Facilitating the conduct of the assessments to be undertaken by the Board and/or Board Committees as well as to compile the results of the assessments for the Board and/or Board Committee's notation;• Assisting the Company on the lodgements of documents with relevant statutory and regulatory bodies; |

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| | <ul style="list-style-type: none"> • Assisting the Board with the preparation of announcements for release to Bursa Malaysia Securities Berhad (“Bursa Securities”) and Securities Commission Malaysia; and • Rendering advice and support to the Board and Management. <p>The Company Secretaries keep the Board abreast with the latest regulatory updates and also ensure that deliberations at Board and Board Committee meetings are well documented. The Board is satisfied with the performance and support rendered by the two (2) qualified and experienced Company Secretaries to the Board in discharge of its functions.</p> |
| Explanation for departure | : N/A |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | |
| Measure | : N/A |
| Timeframe | : N/A |

Intended Outcome

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

Practice 1.5

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>Unless otherwise agreed, notice of each meeting confirming the venue, time, date and agenda of the meeting together with relevant Board papers shall be forwarded to each director no later than seven (7) days before the date of the meeting. This is to ensure that Board papers comprising of due notice of issues to be discussed and supporting information and documentations were provided to the Board sufficiently in advance. Furthermore, Directors are given sufficient time to read the Board paper and seek for any clarification as and when they may need advisers or further explanation from management and Company Secretaries. The deliberations of the Board in terms of the issues discussed during the meetings and the Board's conclusions in discharging its duties and responsibilities are recorded in the minutes of meetings by the Company Secretaries.</p> <p>The Board has access to all information within the Company as a full Board to enable them to discharge their duties and responsibilities and is supplied in a timely basis with information and reports on financial, regulatory and audit matters by way of Board papers for informed decision making and meaningful discharge of its duties.</p> <p>In addition, all Directors have direct access to the advice and services of the Company Secretaries who is responsible for ensuring the Board's meeting procedures are adhered to and complied with the applicable laws and regulations and Listing Requirements. External advisers are invited to attend meetings to provide insights and professional views, advice and explanation on specific items on the meeting agenda, when required. Senior management team from different divisions will also be invited to participate in the Board meetings to enable all Board members to have equal access to the latest updates and developments of business operations of the Group presented by the senior management team. The Chairman of the Board Committees, namely, the Audit Committee, Remuneration Committee, Nomination Committee and Risk Management Committee briefs the Board on matters discussed as well as decisions taken at the meetings of their respective Board Committees meetings.</p> |

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| | When necessary, Directors may whether as a full Board or in their individual capacity, seek independent professional advice, including the internal and external auditors, at the Company's expense to enable the directors to discharge their duties with adequate knowledge on the matters being deliberated, subject to approval by the Chairman of the Board, and depending on the quantum of the fees involved. | |
| Explanation for departure | : N/A | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : N/A | |
| Timeframe | : N/A | |

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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>As part of governance process, the Board has formalised and adopted the Board Charter which sets out a list of specific functions that are reserved for the Board for example the composition and balance, roles and responsibilities, operation and processes of the Board and is to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members.</p> <p>The Board Charter is reviewed periodically as and when the need arises to ensure the dynamic needs of the Group are consistently met. A copy of the Board Charter is available for reference at the Company's website www.jki.com.my.</p> |
| Explanation for departure | : | N/A |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | N/A |
| Timeframe | : | N/A |

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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>Employees are introduced to the ethical corporate culture of the Group during employee induction and thereafter, employees are constantly monitored to ensure the culture is upheld in their dealings within the Group and also in their association with our customers, distribution, suppliers, governmental and regulatory authorities and other business associates.</p> <p>The Board of Directors conducts themselves in an ethical manner while executing their duties and functions, and comply with the Company's Code of Conduct and Ethics. In addition to the Company's Code of Conduct and Ethics, the Group also gives emphasis on the behavioural ethics and conduct that sets out the sound principles and standards of good practice within the Group's business landscape, which are expected to be observed by the Directors and employees. Both Directors and employees are required to uphold the highest integrity in discharging their duties and in dealings with various stakeholders such as shareholders, customers, fellow employees and regulators.</p> <p>The details of the Code of Conduct and Ethics are available for reference on the Company's website at www.jki.com.my.</p> |
| Explanation for departure | : | N/A |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | N/A |
| Timeframe | : | N/A |

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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board has implemented a Whistle-blowing Policy, with the aim to provide an avenue for raising concerns related to possible breach of business conduct, non-compliance of laws and regulatory requirements as well as other malpractices.</p> <p>The main objectives of the policy are:</p> <ul style="list-style-type: none">i) Be committed to the Company's business ethics of Honesty, Integrity and Transparency;ii) To provide a transparent and confidential process for all parties to give information on non-compliances to the Code of Conduct and Ethics, or any misconduct regardless of his or her position, to an independent party to investigate the allegations and take the appropriate actions; andiii) To uphold the moral duty being a Company by protecting the interest of all its stakeholders. <p>The details of the Whistle-blowing Policy are available for reference at the Company's website at www.jki.com.my.</p> <p>The Board reviews the Whistleblowing Policy as and when need arises.</p> |
| Explanation for departure | : | N/A |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | N/A |
| Timeframe | : | N/A |

Intended Outcome

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

Practice 4.1

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

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| Application | : Applied |
| Explanation on application of the practice | <p>The Board of Jiankun currently comprises four (4) Independent Non-Executive Directors out of total seven (7) Directors in the Board. Therefore, the following prescribed requirements have been complied by the Board:</p> <ul style="list-style-type: none">a) Pursuant to the provisions of MMLR of Bursa Securities which stipulates that at least 2 directors or 1/3 of the board of directors, whichever is the higher, are the independent directors; andb) Practice 4.1 of the MCGG, where at least half of the board comprises of Independent Directors. <p>The Independent Non-Executive Directors of the Company are independent of management and free from any business relationship which could materially interfere with the exercise of their judgment. They provide guidance, unbiased, fully balanced and independent views, advice and judgment to many aspects of the Group's strategy so as to safeguard the interests of minority shareholders and to ensure that the highest standards of conduct and integrity were maintained by the Group.</p> <p>The Board places great importance on its Independent Directors where they serve as an essential source of impartial and professional guidance to protect the interest of the shareholders. The Independent Non-Executive directors are professionals of high calibre and credibility who play a pivotal role in corporate accountability by contributing their knowledge, advice and experience towards making independent judgment on issues of strategies, performance, resources and standards of conducts.</p> <p>Any material and important proposals that will significantly affect the policies, strategies, directions and assets of the Group will be subject to approval by the Board. None of the members of the Board has unfettered powers of decision. All Independent Non-Executive Directors do not participate in the day-to-day management of the Group and do not engage in any business dealing or other relationship with the Group.</p> |
| Explanation for departure | N/A |
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Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

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| Measure | : | N/A | |
| Timeframe | : | N/A | |

Intended Outcome

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

Practice 4.2

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

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

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| Application | : | Not applicable - No independent director(s) serving beyond 9 years | |
| Explanation on application of the practice | : | N/A | |
| Explanation for departure | : | N/A | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | N/A | |
| Timeframe | : | N/A | |

Intended Outcome

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

Practice 4.3 - Step Up

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

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| Application | : | Not Adopted |
| Explanation on adoption of the practice | : | N/A |

Intended Outcome

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

Practice 4.4

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Company does not practice any form of gender, ethnicity and age group biasness as all candidates for either Board or Senior Management team shall be given fair and equal treatment.</p> <p>The Board believes that there is no detriment to the Company in not adopting a formal gender, ethnicity and age group diversity policy as the Company is committed to provide fair and equal opportunities and nurturing diversity within the Group.</p> <p>Notwithstanding with the above, the Board affirms its commitment to boardroom diversity as a truly diversified board can enhance the board's effectiveness, perspective, creativity and capacity to thrive in good times and to weather the tough times.</p> <p>In identifying suitable candidates for appointment to the Board, the Nomination Committee will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.</p> |
| Explanation for departure | : | N/A |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | N/A |
| Timeframe | : | N/A |

Intended Outcome

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

Practice 4.5

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

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| Application | : | Departure | |
| Explanation on application of the practice | : | N/A | |
| Explanation for departure | : | The Company has not adopted a gender diversity policy nor has set the gender diversity target but endeavour to improve the number of women directors on the Board, based on pre-determined skill sets and competencies. | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | N/A | |
| Timeframe | : | N/A | |

Intended Outcome

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

Practice 4.6

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board is responsible for the appointment of new Directors, the NC is delegated with the role of screening and conducting an initial selection, which includes an external search, before making a recommendation to the Board. NC has the authority to obtain the services of professional recruitment firms to source for candidates for directorship or seek independent professional advice whenever necessary.</p> <p>The NC is also empowered to bring to the Board, recommendations as to the appointment of any new director or to fill board vacancies as and when they arise. In making its recommendation, the NC will consider the required mix of skills, knowledge, expertise, experience and other qualities, including core competencies which Directors of the Company should bring to the Board.</p> <p>Generally, the Board adopts a flexible approach when selecting and appointing new directors depending upon the circumstances and timing of the appointment. The Nomination Committee will help assess and recommend to the Board, the candidature of directors, appointment of directors to board committees, review of Board's succession plans and training programmes for the Board.</p> <p>Based on the above approach, the Management bearing in mind that the industry in which the Company operates in, the Board is in the best position to look for suitable and qualified candidates through their social networking.</p> |
| Explanation for departure | : | N/A |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | N/A |
| Timeframe | : | N/A |

Intended Outcome

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

Practice 4.7

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>As recommended by MCCG, the Company has established the Nomination Committee comprises exclusively of Non-Executive Directors. The present members are as follows:</p> <p>Chairman – Tan Sri Dato’ Sri Mohamed Apandi Bin Ali, Independent Non-Executive Chairman <i>Appointed on 30 December 2020</i></p> <p>Member – Encik Azmi Bin Osman, Independent Non-Executive Director <i>Appointed on 30 December 2020</i></p> <p>Member – Dato’ Saiful Nizam Bin Mohd Yusoff, D.I.M.P, Independent Non-Executive Director <i>Appointed on 1 April 2021</i></p> <p>Kamil Bin Abdul Rahman, Independent Non-Executive Director – Cessation of office on 30 December 2020 Fathi Ridzuan Bin Ahmad Fauzi, Independent Non-Executive Director – Resignation on 21 December 2020 Chan Fook Mun, Independent Non-Executive Director – Resignation on 29 March 2021</p> |
| Explanation for departure | : | N/A |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | N/A |
| Timeframe | : | N/A |

Intended Outcome

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

Practice 5.1

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

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

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| Application | : | Applied | |
| Explanation on application of the practice | : | The NC is required to assess the Board's effectiveness in terms of its composition, roles and responsibilities, and whether the Board Committees have discharged their functions and duties in accordance with the Terms of Reference. The NC assesses on annual basis the composition of the Board to ensure that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision making. All assessments and evaluations carried out by the NC in discharging its functions have been well documented. Based on the assessment of Board effectiveness as a whole, it was concluded that the Board and Board Committees have discharged their duties and responsibilities adequately. | |
| Explanation for departure | : | N/A | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | N/A | |
| Timeframe | : | N/A | |

Intended Outcome

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

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

Practice 6.1

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

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| Application | : | Departure |
| Explanation on application of the practice | : | N/A |
| Explanation for departure | : | <p>In general, the remuneration is structured so as to link rewards to corporate and individual performance, as in the case of the Executive Director and Senior Management. As for the Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken individually by the Director concerned.</p> <p>The Board does not have any formal remuneration policy. Notwithstanding that, in determining the remuneration packages of Executive Director and Senior Management, the Remuneration Committee (“RC”) has considered the compensation and benefits which commensurate with the level of the Executive Director and Senior Management’s responsibilities and performance, as well as taking into consideration the Group’s performance relative to the industry.</p> <p>The Board collectively determines the remuneration for the Non-Executive to ensure the same is appropriately reflective of experience and the level of responsibilities and contributions including the number of the scheduled meetings for the Board, board of subsidiaries and Board committees; and competitive compared with the prevalent market practices. Each of the Non-Executive Directors abstained from deliberating and voting on their own remuneration.</p> |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | N/A |
| Timeframe | : | N/A |

Intended Outcome

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

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

Practice 6.2

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

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board has a Remuneration Committee which would comprise a majority of Independent Non-Executive Directors that assisted the Board in reviewing the proposed remuneration packages of the Independent Non-Executive Directors.</p> <p>The Remuneration Committee also assisted the Board in reviewing and recommending the proposed remuneration packages and bonus of the Managing Director and Executive Director.</p> <p>The Remuneration Committee is authorised by the Board to establish a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors.</p> <p>The Terms of Reference of the RC can be viewed at the Company's website at www.jki.com.my.</p> |
| Explanation for departure | : | N/A |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | N/A |
| Timeframe | : | N/A |

Intended Outcome

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

Practice 7.1

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

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| Application | : | Applied |
| Explanation on application of the practice | : | The details of the Directors' fees, remuneration paid or payable to all Directors of the Company for the financial year ended 31 December 2020 were disclosed in the Annual Report 2020. |
| Explanation for departure | : | N/A |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | N/A |
| Timeframe | : | N/A |

Intended Outcome

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

Practice 7.2

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

| | | |
|--|---|--|
| Application | : | Departure |
| Explanation on application of the practice | : | N/A |
| Explanation for departure | : | <p>In determining the remuneration packages of the Senior Management Personnel, factors that were taken into consideration included their individual responsibilities, skills, expertise and contributions to the Group's performance and whether the remuneration packages are competitive and sufficient to ensure that the Group is able to attract and retain executive talents.</p> <p>The Company believes it may not be in its best interest to disclose the information on the remuneration on the named basis of each member of the Senior Management Personnel, having considered the highly competitive human resource environment for Personnel with the requisite knowledge, expertise and experience in the Group's business activities.</p> <p>The remuneration of the Senior Management Personnel is a combination of annual salary, bonus and benefits-in-kind are determined in a similar manner as other management employee of the Company. The basis of determination has been consistently applied and is based on individual performance, the overall performance of the Company and benchmarked against other companies operating in similar industry.</p> |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | N/A |
| Timeframe | : | N/A |

Intended Outcome

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

Practice 7.3 - Step Up

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

| | | |
|--|---|-------------|
| Application | : | Not Adopted |
| Explanation on adoption of the practice | : | N/A |

Intended Outcome

There is an effective and independent Audit Management Committee.

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

Practice 8.1

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

| Application | : | Applied | | | | | | | | | | | | |
|--|------------------------------------|---|--------|----------|---|------------------------------------|------------------------|------------------------------------|---|------------------------------------|---|------------------------------------|---|------------------------------------|
| Explanation on application of the practice | : | <p>The Board has established Audit Committee comprises solely of Independent Directors based on the Step-Up recommendation of the MCGG and also fulfils the requirements of the Listing Requirements which requires the Committee to comprise no fewer than three (3) members and that all members must be Non-Executive Directors with a majority of them being Independent Directors.</p> <p>The present members of the Audit Committee are as follows :</p> <table border="1"><thead><tr><th>Member</th><th>Position</th></tr></thead><tbody><tr><td>Azmi Bin Osman (Chairman) <i>Appointed on 30 December 2020</i></td><td>Independent Non-Executive Director</td></tr><tr><td>Kamil Bin Abdul Rahman</td><td>Independent Non-Executive Director</td></tr><tr><td>Dato' Saiful Nizam Bin Mohd Yusoff, D.I.M.P <i>Appointed on 1 April 2021</i></td><td>Independent Non-Executive Director</td></tr><tr><td>Fathi Ridzuan Bin Ahmad Fauzi (Chairman) <i>Resigned on 21 December 2020</i></td><td>Independent Non-Executive Director</td></tr><tr><td>Chan Fook Mun <i>Resigned on 29 March 2021</i></td><td>Independent Non-Executive Director</td></tr></tbody></table> <p>The Chairman of Audit Committee is not the Chairman of the Board and is an Independent Director.</p> | Member | Position | Azmi Bin Osman (Chairman) <i>Appointed on 30 December 2020</i> | Independent Non-Executive Director | Kamil Bin Abdul Rahman | Independent Non-Executive Director | Dato' Saiful Nizam Bin Mohd Yusoff, D.I.M.P <i>Appointed on 1 April 2021</i> | Independent Non-Executive Director | Fathi Ridzuan Bin Ahmad Fauzi (Chairman) <i>Resigned on 21 December 2020</i> | Independent Non-Executive Director | Chan Fook Mun <i>Resigned on 29 March 2021</i> | Independent Non-Executive Director |
| Member | Position | | | | | | | | | | | | | |
| Azmi Bin Osman (Chairman) <i>Appointed on 30 December 2020</i> | Independent Non-Executive Director | | | | | | | | | | | | | |
| Kamil Bin Abdul Rahman | Independent Non-Executive Director | | | | | | | | | | | | | |
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| Chan Fook Mun <i>Resigned on 29 March 2021</i> | Independent Non-Executive Director | | | | | | | | | | | | | |
| Explanation for departure | : | N/A | | | | | | | | | | | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | | | | | | | | | | | | |
| Measure | : | N/A | | | | | | | | | | | | |
| Timeframe | : | N/A | | | | | | | | | | | | |

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.2

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

| | | | |
|--|---|---|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | The terms of reference of the AC has been updated on 16 April 2019. Currently, none of the members of the Board nor the Audit Committee of the Company were former key audit partner of the external auditors appointed by the Company. The Company will observe a cooling-off period of at least two (2) years in the event any potential candidate to be appointed as a member of the Audit Committee was a key audit partner of the external auditors of the Company. | |
| Explanation for departure | : | N/A | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | N/A | |
| Timeframe | : | N/A | |

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.3

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

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>In accordance with the Terms of Reference of the AC, the AC on an annual basis would review and monitor the suitability and independence of the external auditors.</p> <p>The AC had obtained a written assurance from the external auditors confirming that they were, and had been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</p> <p>Prior to the re-appointment of the External Auditors for the forthcoming Annual General Meeting, the Audit Committee has reviewed the performance of the External Auditors using the External Auditors' Evaluation Form.</p> <p>Having taken into consideration of the above, the Board, through the Audit Committee, is of the view that the External Auditors are independent and suitably qualified to act.</p> |
| Explanation for departure | : | N/A |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | N/A |
| Timeframe | : | N/A |

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

| Application | : | Adopted | | | | | | | | | | | | |
|---|------------------------------------|--|--------|----------|--|------------------------------------|------------------------|------------------------------------|---|--|---|------------------------------------|---|------------------------------------|
| Explanation on adoption of the practice | : | <p>The Board has established Audit Committee comprises solely of Independent Directors based on the Step-Up recommendation of the MCGG and also fulfils the requirements of the Listing Requirements which requires the Committee to comprise no fewer than three (3) members and that all members must be Non-Executive Directors with a majority of them being Independent Directors.</p> <p>The present members of the Audit Committee are as follows :</p> <table border="1"><thead><tr><th>Member</th><th>Position</th></tr></thead><tbody><tr><td>Azmi Bin Osman <i>Appointed on 30 December 2020</i></td><td>Independent Non-Executive Director</td></tr><tr><td>Kamil Bin Abdul Rahman</td><td>Independent Non-Executive Director</td></tr><tr><td>Dato' Saiful Nizam Bin Mohd Yusoff, D.I.M.P <i>Appointed on 1 April 2021</i></td><td></td></tr><tr><td>Fathi Ridzuan Bin Ahmad Fauzi (Chairman) <i>Resigned on 22 December 2020</i></td><td>Independent Non-Executive Director</td></tr><tr><td>Chan Fook Mun <i>Resigned on 29 March 2021</i></td><td>Independent Non-Executive Director</td></tr></tbody></table> | Member | Position | Azmi Bin Osman <i>Appointed on 30 December 2020</i> | Independent Non-Executive Director | Kamil Bin Abdul Rahman | Independent Non-Executive Director | Dato' Saiful Nizam Bin Mohd Yusoff, D.I.M.P <i>Appointed on 1 April 2021</i> | | Fathi Ridzuan Bin Ahmad Fauzi (Chairman) <i>Resigned on 22 December 2020</i> | Independent Non-Executive Director | Chan Fook Mun <i>Resigned on 29 March 2021</i> | Independent Non-Executive Director |
| Member | Position | | | | | | | | | | | | | |
| Azmi Bin Osman <i>Appointed on 30 December 2020</i> | Independent Non-Executive Director | | | | | | | | | | | | | |
| Kamil Bin Abdul Rahman | Independent Non-Executive Director | | | | | | | | | | | | | |
| Dato' Saiful Nizam Bin Mohd Yusoff, D.I.M.P <i>Appointed on 1 April 2021</i> | | | | | | | | | | | | | | |
| Fathi Ridzuan Bin Ahmad Fauzi (Chairman) <i>Resigned on 22 December 2020</i> | Independent Non-Executive Director | | | | | | | | | | | | | |
| Chan Fook Mun <i>Resigned on 29 March 2021</i> | Independent Non-Executive Director | | | | | | | | | | | | | |

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.5

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

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

| | | |
|--|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Audit Committee comprises of three members, two of whom are members of professional accounting bodies.</p> <p>Collectively, the members of the Audit Committee are financially literate and are able to understand the Company's business and matters under the purview of the Audit Committee including the financial reporting process. They have continuously applied a critical and probing view on the Company's financial reporting process, transactions and other financial information, and effectively challenged management's assertions on the Company's financials. Any inconsistencies in the financial and operational reports would be questioned to ensure that the Quarterly Report and the annual Audited Financial Statements taken as a whole provide a true and fair view of the Company's financial position and performance.</p> <p>All members of the Audit Committee have also undertaken and will continue to undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules as and when required.</p> |
| Explanation for departure | : | N/A |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | N/A |
| Timeframe | : | N/A |

Intended Outcome

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

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

Practice 9.1

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

| | | |
|--|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board acknowledges that risk management is an integral part of the Group business operations. It is an ongoing process which involves different levels of managements to identify, evaluate, monitor and manage and mitigate the risks that may affect the achievement of its business and corporate objectives.</p> <p>The Management is responsible for creating risk awareness culture and to build the necessary environment for effective risk management. Significant issues related to internal controls and risk management are highlighted to the Board. If deemed necessary, assistance from external parties shall be consulted on issues in which the Board needs to seek an opinion.</p> <p>The Company has established the Risk Management Committee which is under the purview of the AC to oversee the risk management of the Group. The Risk Management Framework was adopted by the Directors. The Board through the AC would obtain report from the internal auditors on the periodic check on the internal control system.</p> |
| Explanation for departure | : | N/A |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | N/A |
| Timeframe | : | N/A |

Intended Outcome

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

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

Practice 9.2

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

| | | | |
|--|---|--|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | The details of the Group's risk management and internal control framework, and the adequacy and effectiveness of this framework is set out on pages 39 and 40 of the Annual Report 2020 for the Statement on Risk Management and Internal Control. | |
| Explanation for departure | : | N/A | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | N/A | |
| Timeframe | : | N/A | |

Intended Outcome

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

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

Practice 9.3 - Step Up

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

| | | |
|--|---|-------------|
| Application | : | Not Adopted |
| Explanation on adoption of the practice | : | N/A |

Intended Outcome

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

Practice 10.1

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

| | | |
|--|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Internal Audit firm appointed by the Company is independent of activities related to business operations and performs its duties in accordance with standards set by relevant professional bodies, namely Institute of Internal Auditors.</p> <p>Internal audit provides independent assessment on the effectiveness and efficiency of internal controls utilizing a global audit methodology and tool to support the corporate governance framework and an efficient and effective risk management framework to provide assurance to the Audit Committee.</p> <p>The Audit Committee approves the internal audit plan during the first Audit Committee meeting each year. Any subsequent changes to the internal audit plan are approved by the Audit Committee. The scope of internal audit covers the audits of all units and operations, including subsidiaries as stated in the letter of engagement.</p> <p>Based on the works done by the Internal Auditors during the financial under review, the Audit Committee and the Board are satisfied with the performance of the outsourced Internal Auditors and agree that the internal audit review was done in accordance with the audit plan and the coverage is adequate.</p> |
| Explanation for departure | : | N/A |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | N/A |
| Timeframe | : | N/A |

Intended Outcome

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

Practice 10.2

The board should disclose–

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

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Group has appointed an external professional Internal Audit firm namely Sterling Business Alignment Consulting Sdn Bhd to carry out the internal audit, professional staffs were assigned to perform this task during the financial year under review. The internal audit activities were reported directly to the Audit Committee based on the approved annual Internal Audit Plan. The approved annual Internal Audit Plan is designed to cover entities across all level of operations within the Group.</p> <p>The Internal Auditors adopts the International Standards for the Professional Practice of Internal Auditing of The Institute of Internal Auditors (IIA), the definition of Internal Auditing, Code of Ethics, Practices and Framework in order to ensure standardisation and consistency in providing assurance on the adequacy, integrity and effectiveness of the Group’s overall system of internal controls, risk management and governance.</p> <p>All internal control assessments performed by the Internal Auditors are based on the internal control elements, scope and coverage. The Internal Auditors continues to adopt the risk-based audit plan to ensure the programmes carried out are prioritised based on the Group’s key risks and core or priority areas. Input from various sources inclusive of the Enterprise Risk Management Framework, business plan, past audit issues, external auditors, Management and Board are gathered, assessed and prioritised to derive the annual audit plan.</p> |
| Explanation for departure | : | N/A |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | N/A |
| Timeframe | : | N/A |

Intended Outcome

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

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

Practice 11.1

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

| | | |
|--|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board recognises the importance of keeping the shareholders informed and updated of development concerning the Group. In this regard, the Group strictly adheres to the disclosure requirements of Bursa Securities. The Group practices open communication with its investors.</p> <p>In order to maintain its commitment of effective communication with shareholders, the Group embrace the practice of comprehensive, timely and continuing disclosures of information to its shareholders as well as the general investing public.</p> <p>The Company's website at www.jki.com.my incorporates an Investor Relations section which provides all relevant information on the Company accessible to the public. This section enhances the Investor Relations function by including all announcements made by the Company and its annual reports.</p> <p>The quarterly financial results are announced via Bursa LINK after the Board's approval. This is important in ensuring equal and fair access to information by the investing public.</p> <p>In addition to the dissemination of information to shareholders and other interested parties via announcements to Bursa Securities, its website, circulars and press releases, the Board is of the view that the annual and any extraordinary general meetings as ideal opportunities to communicate with shareholders.</p> |
| Explanation for departure | : | N/A |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | N/A |
| Timeframe | : | N/A |

Intended Outcome

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

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

Practice 11.2

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

| | | | |
|--|---|--|--|
| Application | : | Departure | |
| Explanation on application of the practice | : | N/A | |
| Explanation for departure | : | Not applicable as the Company is not a Large Company as defined by the MCCG. | |
| | | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | N/A | |
| Timeframe | : | N/A | |

Intended Outcome

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

Practice 12.1

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

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Company despatches the notice of its Annual General Meeting (“AGM”) to shareholders at least 28 days before the AGM, well in advance of the 21-day requirement under the Companies Act 2016 and Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).</p> <p>The Notice of Annual General Meeting are dispatched at least 28 days before the Annual General Meeting to accord sufficient time for the shareholders to make the necessary arrangements to attend and participate in person or by proxy.</p> <p>The Notice of the 36th AGM was given on 4 August 2020 for the 36th AGM held on 3 September 2020.</p> <p>The Company had complied with the at least 28 days notice the issuance of the 37th AGM notice by 31 May 2021 to convene the Company’s 37th AGM scheduled on 30 June 2021.</p> |
| Explanation for departure | : | N/A |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | N/A |
| Timeframe | : | N/A |

Intended Outcome

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

Practice 12.2

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

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board will ensure that all Board members, particularly the chairman of each Board committee will make their endeavours to attend general meeting to facilitate engagement with shareholders and to address any relevant questions and concerns raised by the shareholders.</p> <p>The external auditors will be present at the AGM to respond to any queries from shareholders on the audit conducted, the preparation and content of the auditors' report, the accounting policies adopted by the Company, and the independent audit review of the Company's financial position.</p> <p>At the 36th AGM, all Directors, including the Chairman of the Board Committees were present in person to engage directly with the shareholders.</p> |
| Explanation for departure | : | N/A |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | N/A |
| Timeframe | : | N/A |

Intended Outcome

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

Practice 12.3

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

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

| | | | |
|--|---|---|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | In view of the Covid-19 pandemic and as part of our safety measure, the Company’s 37 th AGM will be conducted fully virtual through live streaming to facilitate remote shareholders’ participation and online electronic poll voting. | |
| 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 | : | N/A | |
| Timeframe | : | N/A | |

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

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

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