

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 8923  
**COMPANY NAME** : JIANKUN INTERNATIONAL BERHAD  
**FINANCIAL YEAR** : December 31, 2022

## OUTLINE:

### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

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

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

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

## SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<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 President and Executive Director/chief executive officer 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 President and Executive Director/Chief Executive Officer 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>

	<p>The Board has a formal schedule of matters reserved for its decision which include, amongst others, the following: -</p> <ol style="list-style-type: none"> <li>i. Reviewing, evaluating and adopting strategic business plans for the Company which will enhance the future growth of the Company;</li> <li>ii. Reviewing and evaluating key policies adopted by the Company;</li> <li>iii. Overseeing the conduct of the Company's businesses to evaluate whether the businesses are being properly managed;</li> <li>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;</li> <li>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;</li> <li>vi. Reviewing and approving unaudited quarterly results and audited financial statements;</li> <li>vii. 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</li> <li>viii. Overseeing the development and implementation of a shareholder communications policy for the Company.</li> </ol>	
<p><b>Explanation for departure</b> :</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><b>Measure</b> :</p>		
<p><b>Timeframe</b> :</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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company appointed Tan Sri Dato' Sri Haji Mohamed Apandi Bin Haji 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>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<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 Directors, President 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>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

### Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
<b>Application</b>	: Departure
<b>Explanation on application of the practice</b>	:
<b>Explanation for departure</b>	: Presently, the Chairman of the Board is a member of Remuneration Committee, Audit Committee and Chairman of Nomination Committee.
	Nevertheless, this does not impair the objectivity of the Chairman or the Board when deliberating on the observations and recommendations put forth by the Board Committees, as the Independent Non-Executive Directors work together as a team and respect each other's roles and responsibilities in discharging their duties. In addition, the Chairman is not involved in the Company's managerial and operational matters.  Furthermore, as a non-large company, the Company viewed the size of its Board is adequate to carry out the Board's fiduciary and other duties in an effective and efficient manner., the Nominating Committee will continue to do the necessary in reviewing and recommending the appropriate candidates to the Board to replace the Chairman's membership in the Board Committees, which process may take up to two years.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	: Nominating Committee would review and recommend suitable Board members to replace of the Chairman in various Board Committees
<b>Timeframe</b>	: 2 years

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is supported by professionally qualified and competent Company Secretaries, namely, Mr Tan Tong Lang and Ms Thien Lee Mee.</p> <p>The Board is regularly apprised and advised by the Company Secretaries on statutory and regulatory requirements, roles and responsibility as well as pertinent governance matters. In discharging their role as counsels to the Board, the Company Secretaries also ensures proper supply of relevant information as well as the accuracy and adequacy of meeting materials, organising and facilitating the convening of board meetings, meetings of the board committees, general meetings, in consultation with the chairman, recording of meeting minutes and resolutions of the Board and Board Committees. The Company Secretaries also serve as a focal point for stakeholders' communication and engagement on corporate governance issues.</p> <p>The Company Secretaries constantly keep themselves abreast of changes in the realm of corporate governance through continuous professional development. During the financial year ended 2021, they attended various external training in relation to changes in regulatory requirements.</p> <p>Process flows on the operational processes and procedures of the secretarial function have been put in place to guide the day-to-day running of the function. Detailed information on the functional accountabilities of the Company Secretaries is encapsulated in the Board Charter.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<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 are provided to the Board sufficiently in advance. Furthermore, Directors are given sufficient time to read the Board papers and seek for any clarification or further explanation from advisers, Management and Company Secretaries. The deliberations of the Board in terms of the issues discussed during the meetings and the Board's conclusions or decisions made are recorded in the minutes of meetings by the Company Secretaries.</p> <p>The Board has access to all information within the Company in order to enable them to discharge their duties and responsibilities. The Board 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 are responsible for ensuring the Board meetings procedures are adhered to and that applicable rules and regulatory are complied with. 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 business units 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, brief the Board on matters discussed as well as decisions taken at the meetings of their respective Board Committees meetings.</p> <p>When necessary, Directors may whether as a full Board or in their individual capacity, seek independent professional advice, including but limited to 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 and depending on the quantum of the fees involved.</p>



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

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	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.  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 <a href="http://www.jki.com.my">www.jki.com.my</a> .
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<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 <a href="http://www.jki.com.my">www.jki.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<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"><li>i) Be committed to the Company's business ethics of Honesty, Integrity and Transparency;</li><li>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; and</li><li>iii) To uphold the moral duty being a Company by protecting the interest of all its stakeholders.</li></ul> <p>The details of the Whistle-blowing Policy are available for reference at the Company's website at <a href="http://www.jki.com.my">www.jki.com.my</a>.</p> <p>The Board reviews the Whistleblowing Policy as and when need arises.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The governance responsibilities of the Board in respect of sustainability issues include but not limited to:</p> <ul style="list-style-type: none"><li>i. identify and priorities sustainability.</li><li>ii. include sustainability as part of Board agenda in risk management process.</li><li>iii. define and agree on criteria to access feasibility of sustainability projects and initiatives.</li><li>iv. approve budget for sustainability initiatives.</li><li>v. set management KPIs on sustainability; and</li><li>vi. formalize sustainability reporting and communicate sustainability targets and metrics to stakeholders; and ix. Review result of assurance with management and identify areas for improvements.</li></ul> <p>whereas, the main responsibilities of the management in sustainability management include ensuring alignment of Group's sustainability initiatives with the Company's overall strategy; identifying resources that are essential to achieve sustainability goals, clearly define persons-in-charge and their roles and responsibilities; updating job descriptions and key performance index; assessing feasibility of sustainability projects; reviewing key sustainability initiatives and recommend improvements; and reporting and recommending to the board on the course of action needed promote sustainability in business.</p>
<b>Explanation for departure</b>	:	

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

<b>Measure</b> :		
<b>Timeframe</b> :		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board takes into consideration of the impacts of the business and management processes on the 3 elements of environment, people and profit and evaluate its magnitude before deciding on the course of action. In this respect, the Company is committed to continuously improving safety and health at the workplace; ensuring compliance with regulatory requirements; reducing environment damages to the minimum; creating a happy and loving work place for the employees; improving efficiency of materials, water, power and papers usages and reducing and recycling wastages; practicing ethical and fair business principles and approaches.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board focuses on the sustainability issues relevant to the Company’s business and discusses the issues at the board meetings when necessary. The Board will attend trainings or seminars or participate in briefing relating to sustainability or climate change from time to time in order to stay abreast and understand the sustainability issues relevant to the Company’s business.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



**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.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:	.	
<b>Explanation for departure</b>	:	A detailed study is required for developing the criteria for the performance evaluations of the Board and the Management to address the material sustainability risks and opportunities.	
		The Company does not have any alternative practice currently.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.*

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Nomination Committee oversees the overall composition of the Board in terms of size, mix of skills, experience and core competencies, as well as the balance between Executive Directors and Independent Non-Executive Directors.</p> <p>The effectiveness of the Board as a whole and the contribution of each Director to the effectiveness of the Board and the contribution of the Board’s various committees will be assessed on an annual basis.</p> <p>The annual re-election of retiring Directors has been contingent on satisfactory evaluation of the retiring Directors’ performance and contribution to the Board.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>Currently, the Board currently comprises of nine (9) members which includes the following:</p> <ul style="list-style-type: none"> <li>a) one (1) Independent Non-Executive Chairman;</li> <li>b) one (1) President;</li> <li>c) two (2) Executive Directors;</li> <li>d) two (2) Non-Independent Non-Executive Directors;</li> <li>e) four (4) Independent Non-Executive Directors.</li> </ul> <p>The Board is in compliance with Paragraph 15.02 of the MMLR, which requires that at least two Directors or one-third of the Board of the Company, whichever is the higher, are INEDs.</p> <p>Nevertheless, the Board will undertake a review on its Board's composition and may consider appointing more INED to the Board.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

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

**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.*

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Appointment of Board and senior management are based on objective criteria, merit and besides gender diversity, due regard are placed for diversity in skills, experience, age, and cultural background.</p> <p>The Board pursues diversity in both the Board level and senior management level and recognises a diverse Board in the Company could offer greater depth and breadth compared to non-diverse Board whilst the diversity at senior management will lead to better decisions.</p> <p>The Board would also ensure that the Directors appointed will devote sufficient time to carry out their responsibilities. The Directors appointed are expected to have active participation in meetings of the Board and the Board's committees of which he/she is a member, and not have other personal or professional commitments that would interfere with or limit his/her ability to do so.</p> <p>To ensure that Directors are able to devote the required time to serve the Board effectively, Directors are required to notify the Chairman of the Board, Chairman of Nomination Committee and the Company Secretary including an indication of time that will be spent on the new appointment before accepting any new directorship in public listed companies.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## 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.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Board does not appoint external parties to identify suitably qualified candidates during the recruitment process.</p> <p>Where a need has been identified, the NC shall entask the Company's Chairman or Executive Director:</p> <ul style="list-style-type: none"> <li>• to search/recommend for potential candidates from within the Company; or</li> <li>• appoint recruitment advisers; or</li> <li>• draw references and recommendations from the fellow directors of the Company.</li> </ul> <p>The Company's Chairman or Executive Director:</p> <ul style="list-style-type: none"> <li>• shall develop short list of all potential candidates taking into account, amongst other things, the particular skills, experience and contribution to diversity of each individual candidate and their fit with the existing Board; whereby women candidates would be encouraged to join; and</li> <li>• recommend to the NC the candidate from the short list who best matches the needs of the Board.</li> </ul> <p>The NC will assess, review and deliberate and thereafter, present their recommendations to the Board for consideration and approval.</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		



<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The performance of retiring Directors who are recommended for re-election at the forthcoming AGM would be assessed through the Board annual evaluation (including the independence of Independent Non-Executive Director, if any).</p> <p>A statement by the Board and Nomination Committee being satisfied with the performance and effectiveness of the retiring Directors who offer themselves for re-election at the AGM was stated in the notes accompanying the Notice of AGM. The profile of the Directors who are due for retirement and eligible for re-election, which includes the nature of interest with the Company, if any, are set out in the Annual Report 2022 of the Company.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	Mr P Ellango A/L Ponramu, the Chairman of Nomination Committee is an Independent Director.	
<b>Explanation for departure</b>	:		
	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	Currently our Board members comprise of one female Director. The Company may increase female representation on the Board if appropriate candidates are available.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	Currently, the Company has not set specific policies on gender diversity for senior management. However, the Board is supportive of the recommendation of Malaysia Code on Corporate Governance 2021 ("MCCG") to the establishment of boardroom and workforce gender diversity in near future.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The Nomination Committee is responsible to review annually the effectiveness, contribution, and performance of the Board as a whole, the Board Committees and each individual Board member as well as the independence of the Independent Directors.  The results of the evaluation were tabled to the Nomination Committee and the Board to determine measures to deal with any identified issues or recommendations. Independent Directors are also evaluated to ensure they continue to bring independent and objective judgement to board deliberations.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Remuneration Committee ("RC") 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 Board believes in a remuneration policy that fairly supports the Directors' responsibilities and fiduciary duties in steering the Group to achieve its long-term goals and enhance shareholders' value. The Board's offers a competitive remuneration package in order to attract, develop and retain talented individuals to serve as directors.</p> <p>The RC's principal objective is to evaluate, deliberate and recommend to the Board a remuneration policy for Executive Directors that is fairly guided by market norms and industry practice. The RC also recommends the Executive Directors' remuneration and benefits based on their individual performances and that of the Group.</p> <p>The determination of the remuneration for Non-Executive Directors ("NED") is a matter of the Board as a whole. The level of remuneration for NED reflects the amount paid by other comparable organisations, adjusted for the experience and levels of responsibilities undertaken by the particular NED concerned. The remuneration package of NED will be a matter to be deliberated by the Board, with the Director concerned abstaining from deliberations and voting on deliberations in respect of his individual remuneration. In addition, the Company also reimburses reasonable out-of-pocket expenses incurred by all the NED in the course of their duties as Directors of the Company. The aggregate annual Directors' fees and other benefits payable are to be approved by shareholders at the AGM based on recommendations of the Board.</p>

	<p>The remuneration components of key Senior Management shall consist 36 of basic salary, performance-based bonus, benefits-in-kind and other incentives (where applicable). The remuneration of key senior management is determined at a level which enables the Company to attract, develop and retain high performing and talented individual with the relevant experience, level of expertise and responsibilities and is structured so as to link rewards to individual and corporate performance.</p>	
<p><b>Explanation for departure</b></p>	<p>:</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><b>Measure</b></p>	<p>:</p>	
<p><b>Timeframe</b></p>	<p>:</p>	



### Intended Outcome

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

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

### Practice 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has set up a Remuneration Committee which comprises four (4) members, out of which two (2) are Independent Non-Executive Directors in order to assist the Board in determining the Directors' remuneration.</p> <p>The Remuneration Committee evaluates the remuneration packages of senior management executives and recommends for the Board's approval, the framework of executive remuneration of the Executive Directors' remuneration package.</p> <p>Non-Executive Directors' fees are determined by the Board as a whole with the Director concerned abstaining from deliberations and voting on decisions in respect of his fee.</p> <p>The terms of reference of the Remuneration Committee outline the roles and responsibilities in relation to the remuneration matters, as provided in the terms of reference of the Remuneration Committee is made available to public at the corporate website.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### **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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The details of the Directors' fees, remuneration paid or payable to all Directors of the Company for the financial year ended 31 December 2022 are disclosed, as follows:

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	Tan Sri Dato' Sri Haji Mohamed Apandi Bin Haji Ali	Independent Non-Executive Chairman	180,000	4,000	-	-	-	-	184,000	180,000	4,000	-	-	-	-	184,000
2	Dato' Saiful Nizam Bin Mohd Yusoff	President								16,032	78,300	85,961	-	12,137	8,333	200,763
3	Dato' Ir Lim Siang Chai	Executive Director								-	80,800	144,000	-	26,640	18,000	269,440
4	Edwin Silvester Das	Executive Director / Chief Executive Officer								-	88,300	360,000	-	66,163	130,080	644,543
5	Azmi Bin Osman	Non-Independent Non-Executive Director	77,516	9,000	21,613	-	2,742	-	110,871	77,516	9,000	21,613	-	2,742	-	110,871
6	Dato' Yong Chong Long (Appointed on 21/10/2022)	Non-Independent Non-Executive Director	16,464	-	-	-	-	-	16,464	16,464	-	-	-	-	-	16,464
7	P Ellango A/L Ponramu (Appointed on 12/5/2022)	Independent Non-Executive Director	76,452	2,000	-	-	-	-	78,452	76,452	2,000	-	-	-	-	78,452
8	Chew Huey Yen	Independent Non-Executive Director	68,645	4,000	-	-	-	-	72,645	68,645	4,000	-	-	-	-	72,645
9	Terence Cheah Eu Lee (Appointed on 1/7/2022)	Independent Non-Executive Director	42,000	1,000	-	-	-	-	43,000	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Datuk Seri Tan Choon Hwa (Resigned on 22/3/2023)	Non-Independent Non-Executive Director	66,000	4,800	8,400	-	1,393	-	80,593	66,000	4,800	8,400	-	1,393	-	80,593

### 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.

<b>Application</b>	:	Applied – the company discloses the remuneration of members senior management who are not members of the board	
<b>Explanation on application of the practice</b>	:	The details of the total remuneration received by the top five senior management in bands width of RM50,000 are set out in the Annual Report 2022.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Dato' Saiful Nizam Bin Mohd Yusoff	President	RM101,993	RM78,300	-	RM12,137	RM8,333	RM200,763
2	Edwin Silvester Das	Executive Director / Chief Executive Officer	RM360,000	RM88,300	-	RM66,163	RM130,080	RM644,543
3	Dato' Ir Lim Siang Chai	Executive Director	RM144,000	RM80,800	-	RM26,640	RM18,000	RM269,440
4								
5								

**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.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

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

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	During the financial year ended 31 December 2022, the Chairman of the AC is held by Mr P Ellango A/L Ponramu, who was appointed on 12 May 2022. Whereas the Chairman of the Board is Tan Sri Dato' Sri Haji Mohamed Apandi Bin Haji Ali.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Group recognises the importance of independence of its external auditors and that no possible conflict of interest whatsoever should arise.</p> <p>None of the Audit Committee (“AC”) members were former partners of the Company’s external auditors. The Group will observe a cooling-off period of at least three (3) years in the event any potential candidate to be appointed as a member of the AC.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Company has a policy for assessing the suitability and independence of External Auditors. The AC reviews the appointment, performance, and remuneration of the External Auditors annually before recommending them to the Board to put forward to the shareholders for re-appointment in the AGM.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	All AC members are financially literate and are able to understand matters under the purview of the AC including financial reporting process. The qualification and experience of the individual Audit Committee members are disclosed in the Profile of Board of Directors in the Annual Report 2022.  All members of the AC undertake continuous professional development to ensure that they are abreast of relevant developments in accounting and auditing standards, practices, and rules. A summary of training programmes, conferences and seminars attended by Audit Committee members during the financial year under review is set out in the Annual Report 2022.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The details of the Group's systems of risk management and internal control are reported in the Statement on Risk Management and Internal Control of the Annual Report 2022.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The details of the Group’s risk management and internal control framework is elaborated on the Statement on Risk Management and Internal Control of the Annual Report 2022, which has been reviewed by the External Auditors.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<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>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<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>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<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 <a href="http://www.jki.com.my">www.jki.com.my</a> 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>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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**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.

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

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>		The Company had complied with the at least 28 days notice the issuance of the 38 <sup>th</sup> AGM notice by 29 April 2022 to convene the Company's 38 <sup>th</sup> AGM scheduled on 27 June 2022.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>All the Board members attended the 38<sup>th</sup> AGM of the Company held on 27 June 2022. Apart from Directors, Senior Management and External Auditors also attended the AGM.</p> <p>All the Board members (<i>except Dato' Ir Lim Siang Chai and Datuk Seri Tan Choon Hwa</i>) attended Extraordinary General Meeting ("EGM") held on 6 September 2022. Apart from Directors, Senior Management and Principal Advisers also attended the EGM.</p> <p>The Executive Directors together with other Board members and relevant key management staff will personally present at each AGM of the Company to engage directly with the shareholders and to account for their stewardship of the Company.</p> <p>Barring any unforeseen circumstances, the Directors have confirmed their attendance for the forthcoming 39<sup>th</sup> AGM to be held on 15 June 2023.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	At the 38 <sup>th</sup> Virtual AGM held on 27 June 2022 and EGM held on 6 September 2022 respectively, the Company has leveraged on the technology by conducting the meeting virtually through Remote Participation and Voting Facilities (“RPV”).  The Company’s forthcoming 39 <sup>th</sup> AGM scheduled to be held on 15 June 2023 will be held virtually through live streaming and RPV.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### 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>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The 38 <sup>th</sup> AGM held on 27 June 2022 and EGM held on 6 September 2022 respectively, were conducted virtually through RPV. Shareholders were allowed to submit their questions electronically through the online platform provided by MLabs Research Sdn Bhd to transmit questions to the Board of Directors during the live streaming of the AGM.  Shareholders were given sufficient opportunity to pose their questions before the virtual general meetings and during the virtual general meetings. The Company had ensured that all the questions were answered. Questions received after the close of Q&A session were answered via emails.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

### 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>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The Company has conducted its 38 <sup>th</sup> AGM and EGM virtually via live streaming and RPV on 27 June 2022 and 6 September 2022 respectively. The Broadcast Venue of the 38 <sup>th</sup> AGM was for the purpose of complying with Section 327(2) of the Companies Act, 2016 which requires the Chairman of the meeting to be at the main venue.  The Chairman in the general meetings encouraged shareholders to pose questions during the meeting by using query box provided in the live-streaming platform. At the “Questions and Answers” session in the meeting agenda, the online platform had the facilities to live broadcast the questions/remarks and answers; and the shareholders had experienced real time interaction with the Board during the AGM.  Questions posed by shareholders had been made visible to all meeting participants during the meeting itself via RPV facilities.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

## 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>	
<b>Application</b>	: Departure
<b>Explanation on application of the practice</b>	:
<b>Explanation for departure</b>	: The minutes of 38 <sup>th</sup> AGM held on 27 June 2022 and EGM held on 6 September 2022 were not circulated to shareholders within 30 business days after the general meeting.  The Board aware of the new MCCG guideline and will ensure the minutes of the forthcoming Annual General meeting will be at least uploaded to the Company's website within 30 business days after the AGM.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:
<b>Timeframe</b>	:

**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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