



The Board of Directors ("the Board") of Vivocom Intl Holdings Berhad recognises the importance of good corporate governance and is fully committed towards ensuring that the highest standards of corporate governance are implemented and maintained as set out in the Malaysian Code on Corporate Governance ("the Code") throughout the Group as a fundamental part of its responsibilities to protect and enhance shareholders' value.

Corporate Governance Structure

The Board has established a system of governance structure which sets out roles, functions, compositions, operations and processes of the Board to promote high standards of corporate governance and to facilitate effective decision making. This structure is found in the Board Charter of the company is available on Group's corporate website at www.vivocomgroup.com.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

1. Board Responsibilities

The Board is responsible of development of corporate objectives, review and approval of corporate plans, performance and the corporate governance of the Group. The Board also responsible for the identification and management of key risk, the adequacy and integrity of internal control systems.

The Board is responsible for the overall corporate governance of the Group, including the following specific roles and responsibilities:-

- a. Review, approve and monitor the overall strategies and direction of the Group;
- b. Overseeing the conduct of the Group of the Group's business to evaluate whether the business is being properly managed;
- c. Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
- d. Succession planning;
- e. Developing and implementing an investor relations programme and shareholder communications policy for the Group; and
- f. Reviewing the adequacy and the integrity of the Group's internal controls systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The Board has also delegated specific responsibilities to the Board Committees, Audit and Risk Management Committee, Nomination Committee and Remuneration Committee. Board Committees are entrusted with specific responsibilities to oversee the Group's affairs with authority to act on behalf of the Board in accordance with their respective Terms of Reference. The Chairman of the relevant Board Committees also report to the Board on key issues deliberated by the Board Committees at their respective meetings.

The Company is supported by two (2) suitably qualified and competent Company Secretaries. Both are qualified Chartered Secretaries as per Section 235(2)(a) of the Companies Act 2016. The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in the discharge of its functions. The Company Secretaries ensures that all Board meetings are properly convened and accurate and proper records of the proceedings and resolutions passed are recorded and maintained in the statutory register of the Company. They also ensure that the Board policies and procedures are followed and rules and regulations, codes or guidance and legislations are complied with.

2. Board Composition

The Board strongly concurred that an effective and well-balanced Board which consists of members with wide range of business, technical and financial background is important to achieve the highest standard of performance, accountability and ethical behaviour as expected by the stakeholders.

The positions of the Chairman and CEO are held by two different individuals and there is a clear division of responsibilities. The Chairman is responsible for the governance, orderly conduct and effectiveness of the Board while the CEO is responsible for managing the Group's business operations and implementation of policies and strategies approved by the Board.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

2. Board Composition (Continued)

The Board is made up of six (6) members as follows:-

No.	Name Of Members	Designation
1	Ar. Lim Tong Hock	Chairman, Independent Non-Executive Director
2	Dato' Seri Chia Kok Teong	Chief Executive Director
3	David Hah Wei Onn	Executive Director
4	Choo Seng Choon	Non-Independent Non-Executive Director
5	Dato' Azahar bin Rasul	Senior Independent Non-Executive Director
6	Tay Mun Kit	Independent Non-Executive Director

The Board has a balanced composition of Executive and Non-Executive Independent Directors such that no individual or group of individuals can dominate the Board's decision-making powers and processes. All Board members carry an independent judgment to bear on issues of strategy, performance, resources and standard of conducts. All the Directors have also complied with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad on the limit of five (5) directorship in public listed companies.

The profiles of the Directors are presented on pages 8 to 10 of this annual report.

All Board members have full and unrestricted access to information on the Group's business and affairs. All scheduled meetings held during the year were preceded by a formal notice issued by the Company Secretaries in consultation with the Chairman. The Board papers contain all relevant information and reports on financial, operational, corporate, regulatory and minutes of meetings. These documents are comprehensive and include qualitative and quantitative information to enable the Board members to make informative decisions. Where required, senior management and external advisors are invited to attend these meetings to explain and clarify on matters tabled.

The Board is regularly updated and advised by the Company Secretaries on new statutory as well as regulatory requirements. The Board has full and unrestricted access to the advice and services of the Company Secretaries as well as the senior management. Where necessary, the Board may obtain independent professional advice at the Company's expenses on the specific issues to enable the Board to make well-informed decisions in discharging their duties on the matters tabled.

The Board meets at least four (4) times a year with additional meetings being held as and when required. For the financial period ended 30 June 2020, 6 Board meetings were held. The Board is satisfied with the level of time committed by its member in discharging their duties and roles as Directors of the Company.

The attendance of the Directors at Board meetings during the financial year are as shown below:-

No.	Name	Designation	Attendance	Percentage of Attendance
1	Ar. Lim Tong Hock	Chairman, Independent Non-Executive Director	6/6	100%
2	Dato' Seri Chia Kok Teong (Appointed on 3 January 2020)	Chief Executive Director	2/2	100%
3	David Hah Wei Onn (Appointed on 21 February 2020)	Executive Director	2/2	100%
4	Choo Seng Choon	Non-Independent Non-Executive Director	6/6	100%
5	Dato' Azahar bin Rasul	Senior Independent Non-Executive Director	6/6	100%
6	Tay Mun Kit	Independent Non-Executive Director	6/6	100%

The Board has adopted a nine (9) year policy for Independent Non-Executive Directors. None of the current independent Board members had served the Company for more than nine years as per the recommendation of the Code. Should the tenure of an Independent Director exceed nine years, shareholders' approval will be sought at a General Meeting or if the services of the Director concerned are still required, the Director concerned will be re-designated as a Non-Independent Director.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

2. Board Composition (Continued)

There is currently no woman on the Board. At present, the Board does not have a formal policy on boardroom diversity in meeting the goal of achieving more women participation on Board as recommended by the Code. Notwithstanding this, the Board is committed to ensuring that the directors of the Company possess a broad balance of skills, knowledge, experience, independence and diversity, including gender diversity.

The Board is mindful of the importance for its members to undergo continuous training to be apprised on changes to regulatory requirements and the impact such regulatory requirements have on the Group. All Directors have attended the Mandatory Accreditation Programme ("MAP") as required by Bursa Malaysia Securities Berhad. The Directors are encouraged to continually attend relevant training programmes to equip themselves with the necessary knowledge and to keep abreast with the relevant changes in laws, regulations and business development. All Directors have continuously undergone training programmes to enhance their skills and knowledge.

During the financial period under review, the Directors had attended the following training programmes:-

Directors	Title of seminar/course
Ar. Lim Tong Hock	Anti-Bribery Management System Training on June 16, 2020
Dato' Seri Chia Kok Teong	Anti-Bribery Management System Training on June 16, 2020
David Hah Wei Onn	Anti-Bribery Management System Training on June 16, 2020
Dato' Azahar bin Rasul	Anti-Bribery Management System Training on June 16, 2020
Tay Mun Kit	Anti-Bribery Management System Training on June 16, 2020
Choo Seng Choon	Anti-Bribery Management System Training on June 16, 2020

To assist the Board in discharge of their duties effectively, the Board has delegated specific functions to certain committees.

Each committee will operate within its clearly defined terms of reference.

- a. **Audit and Risk Management Committee**
The terms of reference of the Audit and Risk Management Committee are set out on pages 17 to 20 of this annual report.
- b. **Nomination Committee**
The Nomination Committee comprises exclusively of independent Non-Executive Directors as follows:-
Tay Mun Kit Chairman
Ar. Lim Tong Hock Member
Dato' Azahar bin Rasul Member

The Nomination Committee was set up to provide a formal and transparent procedure for appointment of Directors as well as assessment on effectiveness of individual Directors and the Board as a whole. The Committee has reviewed the Board's mix of skills and experience and other qualities of all the Directors. The annual assessment of the effectiveness of the Board has been performed by the Nomination Committee.

With the current composition, the Committee is of the opinion that the Board has the necessary knowledge, experience, professionalism, integrity, requisite range of skills and competence to enable them to discharge their duties and responsibilities.

Dato' Azahar bin Rasul has been identified by the Board as Senior Independent Non-Executive Director to whom the concerns of the shareholders and other stakeholders may be conveyed.

Nomination Committee attendance were as follows:-

No.	Name of Members	Attendance	Percentage
1	Tay Mun Kit	1/1	100%
2	Dato' Azahar bin Rasul	1/1	100%
3	Ar. Lim Tong Hock	1/1	100%

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

3. Remuneration

The objective of the Remuneration Committee is to provide a formal and transparent procedure for developing remuneration policy for Directors. The Committee reviews, assesses and recommends to the Board the remuneration packages of the executive directors in all forms which enables the Group to attract and retain Directors with the relevant experience and expertise to manage the business of the Group effectively. Executive Directors play no part in decision on their own remunerations.

The Remuneration Committee comprises exclusively of Independent Non-Executive Directors as follows:-

Tay Mun Kit *Chairman*

Ar. Lim Tong Hock *Member*

Dato' Azahar bin Rasul *Member*

The remuneration packages for the directors are designed to support the Company's strategy and to provide an appropriate incentive to maximise individual and corporate performance, whilst ensuring that overall rewards are market competitive. The Executive Directors' package consists of basic salary, contribution to the national pension fund and benefits-in-kind such as medical care, car allowance and fuel whilst the Non-Executive Directors' package primarily consists of fees only.

The remuneration packages for the Directors for the financial period ended 30 June 2020 are as follows:-

	Executive Directors (RM'000)	Non-Executive Directors (RM'000)
Salaries and other emoluments	423	-
Fees	-	283

The number of Directors whose remuneration falls into each band of RM50,000 are set as follows:-

	Executive Directors	Non-Executive Directors
50,001 – 100,000	1	3
100,001 – 150,000	-	1
150,001 – 200,000	2	-

Remuneration Committee attendance:-

No.	Name Of Members	Attendance	Percentage
1	Tay Mun Kit	1/1	100%
2	Dato' Azahar bin Rasul	1/1	100%
3	Ar. Lim Tong Hock	1/1	100%

The Board opines that the disclosure of the Key Senior Management personnel's names and the various remuneration components (salaries, bonuses and other emoluments) would not be in the best interest of the Group given the competitive human resources environment as such disclosure may give rise to recruitment and talent retention issues.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

4. Board's Performance Assessment

The Board has established formal assessment processes for evaluation of its performance and the performance of its committee and individual directors. These assessment processes comprise Board Assessment, Board Skills Matrix, Individual Directors Assessment, Board Committee Self and Peer Assessment, and Assessment of Independence of Independent Directors and was administered by Nomination Committee.

Based on this assessment, the Board was satisfied with the overall performance of individual Director, Board and Board Committees for the financial period under review.

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Audit and Risk Management Committee

The Board acknowledges its overall responsibilities for maintaining a sound system of risk management and internal control and has delegated its role in the review process to the Audit & Risk Management Committee ("ARMC"). The ARMC comprises three (3) Independent Non-Executive Directors and the Chairman of the ARMC is distinct from the Chairman of the Board. It is a practice for the ARMC to require a former key audit partner to observe a cooling-off period of at least two (2) years before being appointed as a member of the ARMC. For the FPE 30 June 2020, no former key audit partner has been appointed or is a Director of the Company. The ARMC met 6 times during the current financial period. The activities of the ARMC during the financial period are described in the Audit and Risk Management Committee Report found on pages 17 to 20 of this annual report, along with the authority, duties and responsibilities of the ARMC.

2. Risk Management and Internal Control Framework

The Statement on Risk Management and Internal Control is set out on pages 21 to 22 of this annual report detailing the features of the risk management and internal control frameworks of the Group.

PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

1. Communication with Stakeholders

The Board acknowledges the need for stakeholders to be informed of all material business matters affecting the Group. The Board will ensure the timely release of financial results on a quarterly basis to provide stakeholders with an overview of the Group's performance and operations in addition to the various announcements made during the year. These announcements are also available on the Group's website at www.vivocomgroup.com in the investors relation section.

2. Conduct of General Meetings

The Annual General Meeting is the principal forum dialogue with all shareholders. Shareholders are encouraged to participate in the questions and answers session and all the Directors are available to respond to questions during the meeting. Notice of Annual General Meeting and the annual report are sent to shareholders at least 28 days before the date of the meeting, in accordance with the requirements of the Code, enabling shareholders a longer time to review the details of the resolution being proposed for better decision. The notice included details of resolutions to be passed in the general meeting.

Corporate Governance

Overview Statement (cont'd)

PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONTINUED)

Corporate Governance Statement

This Corporate Governance Statement is complemented by the Corporate Governance Report, which is prepared based on the prescribed format as enumerated in Paragraph 15.25(2) of the Listing Requirements for ACE Market of Bursa Malaysia Securities Berhad, to provide a detailed description of the application of the Group's corporate governance practices. The Corporate Governance Report is available on the Group's website, www.vivocomgroup.com, as well as on Bursa Malaysia Berhad's website, www.bursamalaysia.com.

Compliance Statement

The Board believes that the Company has in 2020 followed the Principles and Recommendations of the Code in all material aspects.

This statement is made in accordance with the resolution of the Board dated 23 October 2020.

Directors' Responsibility Statement

This statement is prepared pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad for the ACE Market.

The Board is responsible to ensure the financial statements prepared for each financial year have been made in accordance with applicable approved accounting standards and give a true and fair view of the state of affairs of the Group, including cash flow and results as at the end of each financial year.

The Directors are responsible for ensuring that the Group and the Company have maintained proper accounting records which disclose with reasonable accuracy the financial position of the Group and of the Company which comply with the provisions of the Companies Act, 2016.

The Directors have general responsibility for taking such steps as are reasonable available to them to safeguard the assets of the Group and of the Company and to detect and prevent fraud and other irregularities.