

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 3204  
**COMPANY NAME** : GEORGE KENT (MALAYSIA) BERHAD  
**FINANCIAL YEAR** : March 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 PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

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

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

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is responsible for the oversight and overall management of the Company, with an ultimate accountability and responsibility for the performance of the Company and the promotion of legitimate interests of the Company, its shareholders and other stakeholders.</p> <p>The principal responsibilities of the Board include:</p> <ul style="list-style-type: none"><li>• Reviewing and adopting a strategic plan, including setting performance objectives and approving operating budgets for the Group and ensuring that the strategies promote sustainability;</li><li>• Overseeing the conduct of the Company's business and building sustainable value for shareholders;</li><li>• Reviewing procedures to identify principal risks and ensuring the implementation of appropriate internal controls and mitigation measures;</li><li>• Succession planning, including appointing, assessing, training, fixing the compensation of, and where appropriate, replacing Senior Management;</li><li>• Developing and implementing a Corporate Disclosure Policy (including an investor relations programme or shareholder communications policy) for the Group;</li><li>• Reviewing the adequacy and integrity of the Group's internal control and management information systems, including systems for compliance with the applicable laws, regulations, rules, directives and guidelines;</li><li>• Monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting;</li></ul>

	<ul style="list-style-type: none"> <li>• Ensuring that the Company's financial statements are true and fair and conform with the relevant accounting standards;</li> <li>• Monitoring and reviewing policies and procedures relating to occupational health and safety to ensure compliance with the relevant laws and regulations; and</li> <li>• Ensuring that the Company adheres to the highest standards of ethics and corporate behaviour.</li> </ul> <p>The Board has delegated certain responsibilities and duties to the Board Committees, namely Audit Committee, Risk Management Committee, Remuneration Committee and Nominating Committee, all of which discharge their duties and responsibilities within the specific terms of reference approved by the Board. Except for the Remuneration Committee, the Board Committees do not have executive powers but report to the Board on all matters considered and their recommendations thereon. The ultimate responsibility for decision making lies with the Board.</p> <p>The Board also set out Limits of Authority which outline the relevant matters and applicable limits, including those requiring the Board's approval and those the Board may delegate to Management. Key matters reserved for the Board's approval include the annual budget, Business Continuity Plan, new issues of securities, business restructuring, capital expenditure above predefined limits, disposal of significant fixed assets, and the acquisition or disposal of companies within the Group. Management remains accountable to the Board for the authority being delegated.</p> <p>The Board meets quarterly to review and monitor the Group's financial and operational performance. Additional meetings are convened as and when required.</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 1.2

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 Chairman of the Board is Tan Sri Dato' Tan Kay Hock. The Chairman carries out a leadership role in the conduct of the Board and its relations with the shareholders and other stakeholders.</p> <p>The Chairman is primarily responsible for:</p> <ul style="list-style-type: none"><li>• leading the Board in the oversight of management;</li><li>• long range strategic planning for the Group;</li><li>• representing the Board to shareholders, to chair and ensure the efficient organisation and conduct of the Board and shareholders meetings;</li><li>• ensuring the integrity of the governance process and issues;</li><li>• functioning as a facilitator at Board meetings to ensure that no Director dominates discussion, that appropriate discussions take place and that relevant opinions among Board members is forthcoming;</li><li>• ensuring that all Directors are enabled and encouraged to participate in its activities;</li><li>• guiding and mediating Board actions with respect to organisational priorities and governance concerns; and</li><li>• performing other responsibilities assigned by the Board from time to time.</li></ul>
<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 clear segregation of responsibilities between the Chairman and the Executive Director, held by two different individuals, to promote accountability and ensure a balance of power and authority.</p> <p>Tan Sri Dato’ Tan Kay Hock, the Non-Independent Non-Executive Chairman leads the Board in the oversight of management ensuring the integrity of governance process. Mr Ooi Chin Khooon, the Executive Director, supported by Senior Management team, implements the Group’s strategic plan, policies and decision adopted by the Board and oversees the operations of 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 1.4

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>	: <p>The Chairman of the Board, Tan Sri Dato' Tan Kay Hock, a non-Executive Director, was appointed as a member of the Audit Committee on 18 January 2007, as the Chairman of the Remuneration Committee on 23 March 2005 and as a member of the Nominating Committee on 28 March 2013. He relinquished his position as a member of the Nominating Committee with effect from 1 April 2022.</p> <p>The Board took cognisance on the recommended practice of the MCCG that having the same person assume the position of Chairman of the Board and Chairman/member of the Board committees may give rise to the risk of self-review and may impair the objectivity of the Chairman and the Board when deliberating on the observations and recommendations put forth by the Board committees.</p> <p>At Board meetings and Board Committee meetings, the Chairman always encourage open and constructive discussion amongst the members. Each member is always invited to provide his view and opinion to ensure the proposals put forth at each meeting is deliberated by all members, which mitigates the risk as mentioned above.</p> <p>The Board believes that the Chairman being included in the relevant Board Committees is justified given his strong background and vast past experience across myriad of various organisations, which include the following:</p> <ul style="list-style-type: none"><li>(i) Chairman &amp; Chief Executive (since 27 August 1981) of Johan Holdings Berhad, listed on Bursa Malaysia Securities Berhad under Financial Services sector,</li><li>(ii) Chairman (8 February 1983 to 28 February 2006) of William Jacks PLC, a UK motor vehicles distributor, listed on London Stock Exchange,</li></ul>

	<p>(iii) Chairman (17 January 1982 to 6 October 2006) of Jacks International Limited, a health food &amp; supplements, listed on Stock Exchange of Singapore</p> <p>Given that the Chairman, is a lawyer by training, and with his wealth of experience, the relevant Board Committees is able to leverage on the Chairman’s implicit knowledge and insights in making key decisions which are in the best interests of the Company.</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>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	Choose an item.

### 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 two (2) Company Secretaries who are suitably qualified, competent and capable of carrying out the duties required.</p> <p>The primary responsibilities of the Company Secretaries include:-</p> <ul style="list-style-type: none"><li>• provide support to the Board in fulfilling its fiduciary duties;</li><li>• ensure compliance with regulatory requirements;</li><li>• ensure adherence to board policies and procedures, rules, relevant laws and the best practice of corporate governance;</li><li>• attend Board meetings and general meetings, and ensure the proper recording of minutes;</li><li>• ensure proper upkeep of statutory registers and records.</li></ul>
<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.

Application	:	Applied	
Explanation on application of the practice	:	<p>All Directors are provided with an agenda and a set of Board papers prior to each Board Meeting. Board papers are required to be circulated at least 5 market days prior to the date of each Board meeting to enable the Directors to obtain further explanation, if necessary, in order to be properly briefed before each meeting. Board members are supplied with full, timely and accurate information necessary to enable them to discharge their responsibilities.</p> <p>The deliberations and decisions at Board meeting are well documented in minutes. The status of actions taken with reference to the previous minutes of meetings is updated in the matters arising for the Board’s notation.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

**Intended Outcome**

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

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

**Practice 2.1**

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has adopted a Board Charter which provides guidance for Directors and Management regarding the responsibilities of the Board, Board Committee and the Management. The Board Charter is reviewed regularly to ensure it complies with legislation and best practices, and remains relevant and effective in light of the Board’s objective.</p> <p>The Board Charter had been reviewed and updated in May 2022 to incorporate the latest corporate governance best practices and changes in the Group’s internal governance practices.</p> <p>The Board Charter is available on the Company’s website at <a href="http://www.georgekent.net">www.georgekent.net</a>.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

### Intended Outcome

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>The Board has adopted a Code of Ethics for Company Directors. This Code of Ethics serves as a standard for the ethical behaviour of Directors based on trustworthiness and accepted values. The Code also upholds the spirit of responsibility and civic-mindedness that are in line with the latest legislations, regulations and guidelines for administering a company.</p> <p>The Board has also adopted a Code of Conduct and Ethics that provides guidance to the Directors, Management and employees of the Group on acceptable practices and behaviour to assist them in their compliance with the applicable laws and regulations and to act with high standards of business integrity.</p> <p>The areas covered by the Code of Conduct and Ethics are Compliance with Laws, Conflicts of Interest, Related Party Transactions, Confidential Information, Insider Trading, Bribery and Corruption, Business Courtesies, Money Laundering, Work Environment, Harassment in the Workplace, Equal Opportunity and Company Assets.</p> <p>The Code of Conduct and Ethics had been reviewed and updated in May 2022.</p> <p>Both the Code of Ethics and the Code of Conduct and Ethics are available on the Company's website at <a href="http://www.georgekent.net">www.georgekent.net</a>.</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 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 formalised a Whistleblowing Policy which enables employees and stakeholders to report genuine concerns about any improper conduct. Any concern should be reported to the Audit Committee Chairman. The Integrity Department and the Task Force Team are delegated to perform investigation on all the reports received. Upon completion of each investigation, Integrity Department will prepare a report and recommendation to the Chairman of the Integrity Task Force for further action. On a quarterly basis, the Head of Integrity Department will prepare a summary of all reports received and present it to the Board. There has been no incident or report of any improper conduct lodged.</p> <p>The Whistleblowing Policy is available on the Company's website at <a href="http://www.georgekent.net">www.georgekent.net</a>.</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 Board is responsible for driving sustainability in the Group, with direct oversight over Economic, Environmental, Social and Governance ("EESG") material sustainability issues.</p> <p>The Sustainability Steering Committee ("SSC") is chaired by the Executive Director, who in turn is assisted by key senior management from the Metering and Engineering Divisions. The SSC reviews all sustainability commitments to ensure that these are aligned with the Group's Vision, Mission and Values. The SSC is in charge of setting important initiatives and sustainability growth plans as well as providing guidance on operational functions. The SSC periodically evaluates the Group's sustainability performance and findings are reported to the Board.</p> <p>The Sustainability Working Group ("SWG") consist of the Heads of Department ("HODs") and the Heads of Committee ("HOCs"). The SWG is at the helm of our sustainability initiatives. The SWG makes sure that sustainability efforts are incorporated across the entire organisation, and all pertinent issues are directly managed by the HODs and HOCs.</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 4.2

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>	:	<p>The Board believe that engagement, consultation, and seeking regular feedback are key steps in driving sustainability at the Company. The collective views, opinions and insight from the stakeholders help the Board to make informed decision, while aligning the stakeholders' expectation with the Company sustainability priorities and business approach.</p> <p>The Company's adoption of a Sustainability Policy in February 2022 demonstrates its commitment to embody sustainable business practices throughout the Group's operations. The Sustainability Policy is available on the Company's website at <a href="http://www.georgekent.net">www.georgekent.net</a>.</p> <p>Details pertaining to the stakeholders' engagement and communication are available in the Sustainability Statement in the Company's Annual Report 2022.</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 4.3

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>	:	<p>The Board recognises the importance of understanding and knowledge of sustainability issues that are relevant to the Group and its business to discharge its role effectively. Sustainability-related issues and risks are identified, reviewed and assessed in the risk identification and assessment process. Key risks identified will be updated in the risk registers and reported to the Risk Management Committee and the Board. The Risk Management Committee and Board deliberated initiatives undertaken by the Management and address the business sustainability risks and opportunities.</p> <p>The Board members keep themselves apprised with contemporaneous and relevant sustainability developments by way of formal training including webinars, presentation of updates, structured reading and discussion. The Board is committed to staying abreast with sustainability issues associated with the ever-evolving operating environment, which are relevant to the Group and its business.</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 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	<p>For the financial year ended 31 March 2022, the annual Board Effectiveness Evaluation had also incorporated relevant sustainability-related questionnaire. The Nominating Committee was satisfied that the Board members have sufficient understanding and knowledge of the sustainability issues that are relevant to the Group and its business and the Board had performed its duties effectively in considering sustainability issues during its deliberations on the Group’s strategies and business plans.</p> <p>The KPIs and key achievements set for Senior Management also take into consideration sustainability risks and opportunities, where applicable.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

### Intended Outcome

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>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The Executive Director, Mr Ooi Chin Khoo as the Chairman of the Sustainability Steering Committee ("SSC") is the identified designated person. The SSC with key senior management from the Metering and Engineering Divisions review all sustainability commitments to ensure these are aligned with the Group's Vision, Mission and Values, including setting important initiatives and sustainable growth plans as well as providing guidance on operational functions.

### 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 Nominating Committee conducted an annual Board Effectiveness Evaluation and had reviewed amongst others, the overall composition and size of the Board as well as contribution of each Director and the required mix of skills, knowledge and experience of Board members.</p> <p>The Nominating reviewed and recommended to the Board on re-election of the Directors who are due for retirement at the forthcoming annual general meeting ("AGM"). Based on the review and evaluation on the performance and contribution of the retiring Director, namely Puan Sri Datin Tan Swee Bee, who has offered herself for re-election, the Nominating Committee had recommended to the Board for the re-election of the aforesaid Director. The Board had also collectively agreed to recommend Puan Sri Datin Tan Swee Bee to be re-elected as Director of the Company, subject to shareholders' approval at the forthcoming AGM.</p> <p>Mr Ong Seng Pheow who is also due for retirement by rotation at the forthcoming AGM pursuant to the Constitution of the Company, had expressed his desire not to seek for re-election at the forthcoming AGM. Accordingly, Mr Ong Seng Pheow shall retire as a Director at the conclusion of the forthcoming AGM.</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>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board comprises six (6) Board members, three (3) of which are Independent Directors.	
<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 5.3

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>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>Two (2) Independent Directors ("ID") of the Company, namely Mr. Ong Seng Pheow ("Mr. Ong") was appointed on 13 September 2004 and Dato' Paduka (Dr.) Ir. Hj. Keizrul Bin Abdullah ("Dato' Keizrul") was appointed on 8 December 2009. Upon completion of the cumulative term of nine years from date of their first appointment, a justification assessment by the Nominating Committee is carried out to make a recommendation to the other Board members for a Director to continue to act as an ID.</p> <p>Mr. Ong, whose tenure of service reached approximately nine years at the AGM of the Company held on 10 July 2013, was duly approved by shareholders to be retained to serve as an ID. At each subsequent AGM and until the last AGM held on 27 September 2021, shareholders' approval was obtained for Mr. Ong to be retained to serve as an ID for the Company.</p> <p>As stated under Practice 5.1, Mr. Ong shall retire by rotation as a Director at the forthcoming AGM and has expressed his desire not to seek re-election. At the conclusion of the AGM, Mr. Ong shall cease forthwith to be an Independent Non-Executive Director of the Company.</p> <p>Likewise, Dato' Keizrul, whose tenure of service reached approximately nine years at the AGM of the Company held on 9 July 2018 was duly approved by shareholders to be retained to serve as an ID. At each subsequent AGM and until the last AGM held on 27 September 2021, shareholders' approval was obtained for Dato' Keizrul to be retained to serve as an ID for the Company.</p> <p>The Board has, via the Nominating Committee, conducted an annual performance evaluation and assessment on the Independent Directors and is of the opinion that Dato' Keizrul remains objective and</p>

	<p>independent in expressing his views. The Board will be seeking shareholders' approval in the forthcoming AGM for Dato' Keizrul to continue as Independent Director of the Company. The justification for his continuation as Independent Director is disclosed in the Notice of the Annual General Meeting.</p> <p>Given that shareholders' voting rights are enshrined under the Company's Constitution, which states that every shareholder has one vote for every share he holds and resolutions are to be decided by a simple majority for ordinary resolutions and 75% of votes for special resolution, which is also in line with the Companies Act, 2016, the Board is therefore not recommending the two-tier voting process for the resolution to retain Dato' Keizrul as Independent Director of the Company at the forthcoming Annual General Meeting.</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>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	Choose an item.

**Intended Outcome**

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

**Practice 5.4 - Step Up**

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

<i>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.</i>	
<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>The Board is committed to ensure that the Directors of the Company possess a broad balance of skills, knowledge, experience, background, independence and diversity. The Nominating Committee is responsible to recommend to the Board for the appointment of new Directors and it endeavour to ensure that gender, ethnicity and age diversity will be taken into account in nominating quality candidates to be appointed to the Board. The Nominating Committee also considers whether the potential candidates able to devote adequate time and commitment to fulfil their responsibilities effectively.</p> <p>The Board had adopted a Fit and Proper Policy to serve as a guide to the Nominating Committee and the Board in their review and assessment of persons that are to be appointed onto the board as well as Directors who are seeking for re-election to ensure each of the Directors has the character, experience, integrity, competence and time to effectively discharge his role as a director of the Company and its subsidiaries.</p> <p>Selection of senior management also based on objective criteria and merit, with due regard to diversity in skills, experience, age, cultural background and gender.</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>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Nominating Committee is responsible for identifying and recommending suitable candidates to be appointed to the Board. There were no new appointments made for the financial year ended 31 March 2022.  Moving forward, the Nominating Committee will rely on varied sources to identify candidates to be appointed to the Board, including utilising independent sources.	
<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 5.7

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 Board, through the Nominating Committee, had reviewed and assessed the performance and contribution of the retiring Directors. The Board had recommended for the shareholders' approval for the re-election of the retiring Director at the forthcoming annual general meeting.</p> <p>The Company had provided the relevant information pertaining to the re-election of Director in the notes accompanying the notice of annual general meeting. The profile of the retiring Director who is seeking for re-election 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.

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the Nominating Committee, Dato’ Ahmad Khairummuzammil Bin Mohd Yusoff, is the Senior Independent Director identified by the Board.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

**Intended Outcome**

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

**Practice 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>	:	The Board currently comprises one woman Director, which represents approximately 17% of the Board composition of 6 members.	
		The Board recognises that MCCG had recommended for listed issuers to have at least 30% women directors. Any appointment of Director on the Board will be made after objective and thorough assessment by the Nominating Committee of the appropriateness of the candidate’s skills and experience to the position as well as the Company’s requirement at that point of time. The Board will also ensure the Board comprises a good mix of skill and experience of Directors with due regard for diversity in term of skills, experience, age, cultural, background and gender.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	The Board intends to appoint a suitable woman candidate as an Independent Director to fill the vacancy of one of the Independent Directors who will be retiring at the forthcoming AGM of the Company. Upon her appointment, the Board will comprise of two (2) women Directors, which represents 33.3% of the Board composition of 6 members.	
<b>Timeframe</b>	:	Others	By 31 December 2022

**Intended Outcome**

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

**Practice 5.10**

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company had established a Gender Diversity Policy, amongst others, to set out strategies and measure to promote gender diversity in the Board and senior management appointment process. The Gender Diversity Policy was reviewed, revised and expanded in May 2022. The revised Diversity and Inclusion Policy is available on the Company's website at <a href="http://www.georgekent.net">www.georgekent.net</a>.</p> <p>On the Board gender diversity, please refer to the Corporate Governance Overview Statement of the Annual Report 2022.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

## Intended Outcome

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>	:	For the financial year ended 31 March 2022, an annual evaluation was undertaken to assess the performance and effectiveness of the Board, each Board Committee and each individual Director. The process was internally facilitated and conducted through evaluation forms circulated to the Board. The duly completed evaluation forms were collated and the results were tabled to the Nominating Committee. Based on the results, the Nominating Committee satisfied that the Board and Board Committees are effective as a whole, considering the required mix of skills, size and composition, experience, core competencies and other qualities. The Nominating Committee was also satisfied that each of its Directors has the character, experience, integrity, competence and time to effectively discharge their respective role. The results and the findings from the Nominating Committee were reported to the Board.
<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 Company has adopted a Remuneration Policy to attract, motivate, retain and reward Directors and senior management of George Kent Group through a competitive remuneration package, and to ensure the remuneration is commensurate with the relevant experience, expertise, reflects the level of responsibilities undertaken, and contribution made by the Directors and senior management.</p> <p>The remuneration components of Executive Director and Senior Management consist of basic salary, performance based bonus, benefits-in-kind and other incentives (where applicable). The remuneration package of Executive Director and senior management is structured so as to link reward to individual and corporate performance. The remuneration packages of the Executive Director and Senior Management are reviewed by the Remuneration Committee annually. The Executive Director shall not participate in the decision of his own remuneration</p> <p>Non-Executive Directors receive remuneration in the form of Directors' fees, meeting allowances and benefits-in kind, such as motor vehicles and provision of driver. Additional meeting allowance is payable for Board Committee Chairman to reflect the complexity and amount of preparation required in attending the meeting. The level of remuneration for Non-Executive Directors shall reflect the experience and level of responsibilities undertaken by the Non-Executive Directors concerned. The remuneration of the Non-Executive Directors shall not be based on commission or percentage of profits or turnover. The remuneration packages of the Non-Executive Directors are reviewed by the Remuneration Committee annually. The determination of fees and benefits payable to Non-Executive Directors will be a matter for the Board as a whole, and a Director shall not participate in the decision on their own remuneration packages. The Board will then recommend the</p>

	<p>payment of the Directors' fees and other benefits payable to Non-Executive Directors to the Shareholders for approval at each Annual General Meeting of the Company in accordance with Section 230(1) of the Companies Act, 2016.</p> <p>The Remuneration Policy is available on the Company's website at <a href="http://www.georgekent.net">www.georgekent.net</a>.</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 level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

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

### Practice 7.2

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

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

Application	:	Applied	
Explanation on application of the practice	:	The Remuneration Committee is authorised by the Board to oversee and review the level and composition of Directors’ and Senior Management’s remuneration  The Terms of Reference of the Remuneration Committee is available on the Company’s website at <a href="http://www.georgekent.net">www.georgekent.net</a> .	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

**Intended Outcome**

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>	:	<p>The details of the remuneration received by the Directors for the financial year ended 31 March 2022 are set out in table at the following page.</p> <p>At the Seventieth Annual General Meeting of the Company held on 27 September 2021, shareholders have approved the Directors' fees and benefits up to an amount of RM5,400,000.00 to the Non-Executive Directors for the financial year ended 31 March 2022.</p>

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Ooi Chin Khoon	Executive Director	0	0	1,008	0	17	0	1,025	0	0	1,008	0	17	0	1,025
2	Tan Sri Dato' Tan Kay Hock	Non-Executive Non-Independent Director	250	10	0	0	16	0	276	2,927	196	0	0	16	0	3,139
3	Puan Sri Datin Tan Swee Bee	Non-Executive Non-Independent Director	150	0	0	0	0	0	150	1,346	0	0	0	0	0	1,346
4	Ong Seng Pheow	Independent Director	90	25	0	0	0	0	115	90	25	0	0	0	0	115
5	Dato' Paduka (Dr.) Ir. Hj. Keizrul Bin Abdullah	Independent Director	90	110	0	0	17	0	217	90	110	0	0	17	0	217
6	Dato' Ahmad Khairummuzammil Bin Mohd Yusoff	Independent Director	90	0	0	0	0	0	90	90	0	0	0	0	0	90
7	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

### Intended Outcome

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

### Practice 8.2

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Board is of the opinion that the disclosure on the remuneration of the Key Senior Management on a named basis is not to the Company's advantage or best interest considering the highly competitive market for talents in our industry.	
		The Remuneration Committee reviewed the remuneration packages of the Executive Director and Senior Management annually to ensure the remuneration is commensurate with the relevant experience, expertise, reflects the level of responsibilities undertaken, and contributions made by the Executive Director and Senior Management, and taking into consideration of the Company's performance.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	Choose an item.	

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

**Intended Outcome**

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

**Practice 8.3 - Step Up**

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

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

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



**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Chairman of the Audit Committee , Mr Ong Seng Pheow, who is an Independent Non-Executive Director, is not the Chairman of the Board.	
<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 Audit Committee comprises 3 members, all of whom are Non-Executive Directors and with a majority of Independent Directors.</p> <p>The Terms of Reference of the Audit Committee was revised in May 2022 to update the requirement for a former partner of the external audit firm to observe a cooling-off period of at least three (3) years before eligible for appointment as an Audit Committee member. This is to safeguard the independence of the audit by avoiding potential threats that may arise when a former key audit partner is in a position to exert influence over the audit and preparation of the Company's financial statements.</p> <p>None of the members of the Audit Committee were former key audit partner of the Company's external auditors within the cooling-off period of 3 years.</p> <p>The Terms of Reference of the Audit Committee are available on the Company's website at <a href="http://www.georgekent.net">www.georgekent.net</a>.</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>	:	<p>The Audit Committee conducts annual assessment on the performance, suitability, objectivity and independence of the external auditors based on the following key areas:-</p> <ul style="list-style-type: none"><li>(i) Competency and quality of service</li><li>(ii) sufficiency of resources</li><li>(iii) communication and interaction</li><li>(iv) independence, objectivity and professional scepticism</li></ul> <p>The Audit Committee had assessed the External Auditor's engagement teams' calibre, performance, experience, global network resources as well as ability to perform the scope of work within the Company's predetermined timeline. The Audit Committee took into account the openness in communication and interaction with the lead audit engagement partner and engagement team through discussions at private meetings, which demonstrated their independence, objectivity and professionalism.</p> <p>The Audit Committee was satisfied with the suitability of Grant Thornton Malaysia PLT based on the quality of services and sufficiency of resources they provided to the Group, in terms of the firm and the professional staff assigned to the audit.</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 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Not 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.

Application	:	Applied	
Explanation on application of the practice	:	The members of the Audit Committee have the necessary skills to discharge its duties and are financially literate. The profiles of the members are provided in the Annual Report. The Chairman of the Audit Committee is a member of the Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

### Intended Outcome

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

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

### Practice 10.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board is committed to maintain a sound, effective and efficient internal control system and risk management framework that provide reasonable assurance to safeguard the Group’s assets and shareholders’ interests. The Company’s Risk Management Policy sets out the Group’s underlying approach to risk management and the roles and responsibilities of the Board, Risk Management Committee and Risk Management Working Group. It also outlines key aspects of the risk management process and identifies the main reporting procedures as well as the annual review process of the effectiveness of the framework.</p> <p>Further details on the Group’s risk management and internal control are provided under the Statement on Risk Management and Internal Control in the Company’s Annual Report 2022.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

### Intended Outcome

Companies 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>	:	<p>The Group has a well-defined and effective risk management framework in alignment with ISO 31000. To ensure the adequacy and effectiveness of the system of risk management and internal controls, the framework and policies are regularly reviewed by the Board in response to changes in the regulatory and business environment.</p> <p>The Board, via the Risk Management Committee (RMC), reviews the Group's risk profile and ensure that the principal risks identified, evaluated and reported by Management are managed within the Group's risk appetite and risk tolerance. There will be half-yearly RMC meeting to ensure key risks and control strategies are deliberated and implemented. The Board is assisted by Management to ensure that internal controls and risk management practices are implemented for managing the principal business risks of the Group.</p> <p>During the financial year under review, internal control and risk-related matters which warranted the attention of the Board, were highlighted in the half-yearly RMC meeting and quarterly Audit Committee meeting 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**

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>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The Board had established a Risk Management Committee comprising of an Independent Non-Executive Director, a Non-Independent Non-Executive Director and an Executive Director.



### 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>	:	The Group has an independent internal audit function which is a separate function from other operating units in the Group. The Head of the internal audit department reports directly to the Audit Committee. The internal audit department is accorded with appropriate authority to facilitate the discharge of its duties. The internal audit department has access to all relevant records and information within the Group to carry out its audit review in accordance with the approved internal audit plan. Internal audit findings of operating units of the Group and investigations carried out by internal audit department are tabled at the Audit Committee Meeting quarterly.	
<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

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 Company's internal audit department is headed by Mr. Joseph Ching Terk Yoong who is a member of the Institute of Internal Auditors Malaysia.</p> <p>There are three (3) internal audit personnel including the head of the internal audit department, who are equipped with the relevant skills, experience and qualifications to discharge their roles effectively. All the internal auditors are free from any relationship or conflict of interest, which could impair their objectivity and independence.</p> <p>The internal audit function is guided by its Internal Audit Charter which defines the authority, duties and responsibilities of the internal audit function. The internal audit department adopts a risk-based approach to plan and conduct their audit for the Group.</p> <p>Further details on the internal audit function is available under the Audit Committee Report in the Company's Annual Report 2022.</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 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>	:	The Board has established Corporate Disclosure Policies and Procedures in relation to provision of accurate, timely, consistent and fair disclosure of corporate information to enable informed and orderly market decision by investors.	
<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 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 notice for the forthcoming Annual General Meeting is given to shareholders on 29 July 2022, more than 28 days before the meeting.	
<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>	:	All Directors attended the Company’s Seventieth Annual General Meeting held on 27 September 2021 and the Company’s Extraordinary General Meetings held on 8 June 2021 which were conducted in a virtual manner.	
<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>	:	<p>The Company had conducted its Seventieth Annual General Meeting and Extraordinary General Meeting on 27 September 2021 and 8 June 2021 respectively, both as a fully virtual meetings through Online Meeting Platform via the Share Registrar's website at <a href="http://www.johanmanagement.com.my">www.johanmanagement.com.my</a> in Malaysia.</p> <p>Propoll Solutions Sdn Bhd was appointed as the Poll Administrator for both the Seventieth Annual General Meeting and Extraordinary General Meeting to facilitate the live streaming and the remote participation and voting ("RPV") facilities. The Poll Administrator had put in place information security measures to prevent cyber threats and data breaches.</p> <p>The Administrative Guide of the respective meetings which set out all the details of the virtual general meetings was published on the Company's corporate website to facilitate the shareholders for registering themselves to participate in the virtual general meetings. The RPV facilities enable the shareholders to exercise their right as members of the Company to participate and vote remotely.</p> <p>Shareholders who were unable to attend and vote at the general meetings were encouraged to submit the proxy forms to appoint their representatives or Chairman of the Meeting to participate in the Meeting, which had allowed them to vote in absence.</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

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>	:	<p>The Chairman presented his Chairman Address during the Seventieth Annual General Meeting to, amongst others, brief on the Group's performance, update on the important progress on Group's operation and corporate proposals, and report on the Group's long-term prospect and strategies.</p> <p>At the virtual general meetings conducted in year 2021, Question-and-Answer session was allocated to shareholders to pose questions to the Board and Management. Shareholders were also invited to submit their questions prior to the general meetings via the Share Registrar's website at <a href="http://www.johanmanagement.com.my">www.johanmanagement.com.my</a> and during the general meetings at the Question-and-Answer session. All those questions received prior to the meetings together with the reply from the Board and Management were disclosed via slide presentation at the meetings during the Question-and-Answer session. The minutes of the general meetings including the questions raised prior to the meeting and during the meetings together with the replies thereto are made available on the Company's 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

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.

*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.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Due to the Covid-19 pandemic, the Company had conducted its Seventieth Annual General Meeting and Extraordinary General Meeting on 27 September 2021 and 8 June 2021 respectively, as fully virtual meetings, which is in compliance with the Guidance on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission. The meetings were conducted through Zoom Meeting Application via our Share Registrar's website and facilitated by our poll administrator, namely Propoll Solutions Sdn Bhd. Both meetings were conducted smoothly and successfully. In view thereof, the Board decided to use the same meeting platform and poll administrator for its forthcoming annual general meeting to be held on 22 September 2022.</p> <p>During the general meetings, shareholders submitted their questions via the query box and casted their votes through the online meeting platform using the remote participation and voting facilities in real time.</p> <p>The Chairman read out all the questions received during the meetings, except to those similar and duplicated questions, and provided the replies thereto during the Question-and-Answer session at the live-streamed meetings.</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**

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>	:	Applied
<b>Explanation on application of the practice</b>	:	The Minutes of the Seventieth Annual General Meeting held on 27 September 2021 and the Minutes of the Extraordinary General Meeting held on 8 June 2021 were published on our website
<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>	:	

## **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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