

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0058
COMPANY NAME : JCBNEXT BERHAD
FINANCIAL YEAR : December 31, 2021

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors ("Board") is responsible for establishing the goals and strategic plans of JcbNext Berhad ("JcbNext" or "Company") and its subsidiaries (collectively referred to as the "Group"), setting targets for Senior Management and monitoring the achievement of those goals and targets. The Board also oversees the process of evaluating the adequacy and effectiveness of the system of internal controls and risk management processes.</p> <p>The roles and responsibilities of the Board, Chairman of the Board, the Chief Executive Officer ("CEO"), Independent Directors, Senior Independent Director and Board Committees are clearly defined in the Board Charter, which is available on the Group's website, www.jcbnext.com. For the avoidance of doubt, the Board Charter contains a section identifying matters reserved for the decision of the Board.</p> <p>The Board assumes the following specific duties and responsibilities:</p> <ul style="list-style-type: none">(i) Strategic planning - to review and approve strategies, business plans and key policies for the Group and monitor Management's performance in implementing them to determine whether the business is being properly managed;(ii) Corporate goal - to set corporate values and clear lines of responsibility and accountability, including governance systems and processes that are communicated throughout the Group;(iii) Compliance to regulation - to ensure full compliance and to carry out the duties of the Board in accordance with the relevant provisions of the Main Market Listing Requirements ("MMLR"), the Capital Markets and Services Act 2007, Companies Act 2016, the Malaysian Code of Corporate Governance and all applicable laws, regulations and guidelines;(iv) Independent and transparent - to ensure that there shall be unrestricted access to independent advice or expert advice at the Company's expense in furtherance of the Board's duties;

	<ul style="list-style-type: none"> (v) Remuneration of Non-Executive Directors - determining the remuneration of non-executive Directors, with the individuals concerned abstaining from discussions of their own remuneration; (vi) Code of conduct - to formalise the ethical standards through a code of conduct which will be applicable throughout the Group and ensure compliance to this code of conduct; (vii) Succession planning - to ensure that Management has the necessary skills and experience, has and there is a proper and robust succession plan for its Management and Executive Directors in place. Succession planning refers to the process of selecting, training, appointing, monitoring, evaluating and if warranted, replacing any management to ensure succession; (viii) Management proposals - to review, challenge and decide on Management's proposals for the Group, and monitor its implementation by Management; (ix) Judgmental timing - to ensure that the Board has adequate procedures in place to receive reports from Management periodically and / or on a timely manner, so that the Board has reasonable grounds to make proper judgement on financial matters and business prospects of the Group on an ongoing basis; (x) Financial and non-financial reporting - to ensure all its directors are able to understand financial statements and form a view of the information presented, and to ensure the integrity of the Group's financial and non-financial reporting. Each director shall read the financial statement of the Group and carefully consider whether what they disclose is consistent with the director's own knowledge of the Group's affairs; (xi) Related party management - to establish procedures to assess any related party transactions or conflict of interest situations that may arise within the Company or Group, including any transaction, procedure or course of conduct that raises questions of management integrity; (xii) Board committee - to establish and ensure the effective functioning and monitoring of the Board Committees then to delegate appropriate authority and Terms of Reference to such committees established by the Board; (xiii) Board balance - to strive to achieve an optimum balance and dynamic mix of competent and diverse skillsets amongst the members of the Board; (xiv) Governance culture - together with Management, promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour; and (xv) Stakeholder communication - to ensure that the Group has in place procedures to enable effective communication with stakeholders. <p>The Board reserves full decision-making powers on the following matters:</p> <ul style="list-style-type: none"> (i) Strategic issues and planning;
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- (ii) Material acquisitions and disposition of assets not in the ordinary course of business including significant capital expenditures;
- (iii) Treasury policies;
- (iv) Risk management policies;
- (v) Appointment of auditors and review of the financial statements encompassing annual audited financial statements and quarterly reports;
- (vi) Reviewing and approving new investments, divestments, mergers and acquisitions, establishment of subsidiaries or joint ventures, and any other corporate exercises which requires the shareholders' approval;
- (vii) Financing and borrowing activities;
- (viii) Ensuring regulatory compliance;
- (ix) Reviewing the adequacy and integrity of internal controls;
- (x) Declaration of dividends;
- (xi) Business plans and budget;
- (xii) Appointment of Directors, CEO, Chief Financial Officer ("CFO") and other key responsible persons;
- (xiii) Key human resource issues;
- (xiv) Limits of Authority;
- (xv) Conflict of interest issue relation to a substantial shareholder or a Director including approving related party transactions;
- (xvi) Codes, frameworks, policies and procedures; which was previously approved by the Board; and
- (xvii) Sustainability risks and opportunities.

In the course of pursuing the vision and mission of the Group, the Board recognises that no business organisation can exist by maximising shareholders value alone. In this regard, the needs and interests of other stakeholders are also taken into consideration. In this regard, the Board is responsible for:

- a. Ensuring the Group's strategies promote sustainability;
- b. Ensuring the rights of other stakeholders are not compromised;
- c. Ensuring the Group has in place a policy to enable effective communication not just with shareholders, but with all stakeholders;
- d. Establishing policies governing the Group's relationship with other stakeholders and the broader community; and
- e. Establishing and maintaining environmental, employment and occupational, health and safety policies.

The Board is assisted by the Audit and Risk Committee ("ARC") in ensuring the Group's financial reporting processes are effective and the quality of the financial reporting is of the highest standard. The ARC reviewed the quarterly financial reports prior to its recommendation to the Board for approval and announcements to Bursa Malaysia Securities Berhad ("Bursa Securities").

	The Board has established a Succession Planning Policy on 26 February 2019 to address the Group's operation/service/leadership continuity for all key positions.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.2

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

Application	: Applied
Explanation on application of the practice	<p>Datuk Ali bin Abdul Kadir is the Non-Independent Non-Executive Chairman appointed to the Board on 1 October 2004. The Chairman is responsible for leadership, conduct and governance of the Board in ensuring the effectiveness of all aspects of the Board.</p> <p>In fulfilling his role, the responsibilities undertaken by the Chairman include, amongst others:</p> <ol style="list-style-type: none">Leading the Board in setting the values and standards of the Group;Maintaining a relationship of trust with and between the Executive and Non-Executive Directors;Ensuring the provision of accurate, timely and clear information to Directors;Ensuring effective communication with shareholders and relevant stakeholders;Arranging regular evaluation of the performance of the Board, its Committees and individual Directors;Facilitating the effective contribution of Non-Executive Directors and ensuring constructive relations be maintained between Executive and Non-Executive Directors; andLeading the Board on its succession planning program for Board and Senior Management levels. <p>The Chairman is responsible for running the business of the Board to ensure that:</p> <ol style="list-style-type: none">All Directors are properly briefed on issues arising at Board meetings;Sufficient time is allowed for the discussion of complex or contentious issues and, where appropriate, arranging for informal meetings beforehand to enable thorough preparation for the Board discussion; andIssues discussed are forward looking and focused on strategy. <p>The detailed roles and responsibilities of the Chairman are encapsulated in the Board Charter, which is available on the Company's website at www.jcbnext.com.</p> <p>Based on the results of the assessment of the Board Chairman's roles and responsibilities for the financial year ended 31 December 2021, the Board concluded that the Board Chairman had performed in an</p>

	excellent manner and had contributed positively to the Board and the Group.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Applied
Explanation on application of the practice	:	<p>The roles of the Chairman and the CEO are held by two different individuals. There is a clear division of responsibilities between the two roles, which is clearly defined in the Board Charter, to ensure that there is an appropriate balance of power and authority.</p> <p>The Chairman of the Board is Datuk Ali bin Abdul Kadir who is a Non-Independent Non-Executive Director while the CEO is Mr Liong Wei Li. The roles of the Chairman are disclosed in Practice 1.2 of this report. The Chairman is responsible for leadership, conduct and governance of the Board in ensuring the effectiveness of all aspects of the Board.</p> <p>The CEO is responsible for the day to day management of the business. The responsibilities of the CEO include, amongst others:</p> <ul style="list-style-type: none">a) executive management of the Group's business covering, inter alia, the development of a strategic plan; an annual operating plan and budget; performance benchmarks to gauge management performance against and the analysis of management reports;b) effectively oversees the human resources of the Group with respect to key positions in the Group's hierarchy, determination of remuneration as well as terms and conditions of employment for Senior Management and issues pertaining to discipline;c) assures that the Group's corporate identity, products and services are of high standards and are reflective of the market environment;d) be the official spokesman for the Company and responsible for regulatory, governmental and business relationships;e) coordinates business plans with the business heads, coordinates management issues through the Board, and oversees divisional function groups and cost containment process in consultation with the CFO and the Regional Office or Head Office;f) maintains and facilitates a positive working environment and good employee relations;g) be one (1) of the official spokespersons for the Company and responsible for regulatory, governmental and business relationships;h) promoting a high degree of corporate governance and ethics across the Group;i) assists in the selection and evaluation of Board members through the Nomination and Remuneration Committees;

	<p>j) assists the Chairman in organising information necessary for the Board to deal with the agenda and for providing this information to directors on a timely basis; and</p> <p>k) manage and monitor the Group sustainability strategies, priorities and targets, including the integration of sustainability considerations in the operations of the Group.</p> <p>The respective duties and responsibilities of the Chairman and the CEO are provided in the Board Charter, which is available on the Company's website at www.jcbnext.com</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

Intended Outcome

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

Practice 1.4

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>	
Application	: Departure
Explanation on application of the practice	:
Explanation for departure	: <p>The Chairman of the Board, Datuk Ali bin Abdul Kadir is not a member of ARC, Nomination Committee ("NC") and Remuneration Committee ("RC"). However, he participates in these committee meetings at the invitation of the Board Committees as and when required to provide inputs and also to ensure the smooth proceedings of the Board meeting that will be held immediately after the conclusion of these committee meetings.</p> <p>The Board has put in place safeguard mechanisms in the form of checks and balance to prevent the exercising of undue influence on Committee-level deliberations by the Board Chairman. The decision-making processes of the respective Committees are collectively made in accordance with the Terms of Reference of each Committee as well as all other applicable policies, procedures and laws. Decisions must be made by consensus and in the best interests of the Company.</p> <p>The Company believes that the invitation of the Board Chairman in the relevant committees is justified given his strong background and vast experience in the Company. More information on the Board Chairman's detailed experience and background can be found on page 5 of the Annual Report 2021.</p> <p>Given his wealth of experience, the ARC, NC and RC is often able to leverage on the implicit knowledge, accumulated experience and insights of the Board Chairman in making key Committee decisions, that are made in the best interests of the Company.</p>
	The Company encourages, emphasizes and promotes objective review and deliberations by the Board Committees.

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The company secretarial function has been outsourced to Boardroom Corporate Services Sdn. Bhd. ("Boardroom"). The Board is supported by two (2) professionally qualified and competent Company Secretaries, namely Ms. Tai Yit Chan and Ms. Tan Ai Ning (appointed on 24 November 2021 in replacement of Ms Wong Siew Yeen) who are from Boardroom during the reporting period. Both Company Secretaries are Fellow members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and are qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016.</p> <p>The responsibilities of the Company Secretaries include, amongst others:-</p> <ol style="list-style-type: none">a. Providing unhindered advice and services for the Directors as and when the need arises;b. advise the Board on matters related to corporate disclosure and compliance with the Company and securities regulation and the MMLR of Bursa Securities;c. advise the Board on its roles and responsibilities;d. facilitate the orientation of new directors and assist in director training and development;e. ensure availability of information required by new directors for the proper discharge of their duties;f. manage processes pertaining to the annual shareholders meeting;g. monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations;h. serve as a focal point for stakeholders' communication and engagement on corporate governance issues;i. ensuring that Board procedures and applicable rules are observed;j. maintaining records of the Board and ensure effective management of the Company's statutory records;k. preparing comprehensive Minutes to document Board proceedings and ensure conclusions are accurately recorded;l. assisting the communications between the Board and Management;

	<p>m. providing full access and services to the Board and carrying out other functions deemed appropriate by the Board from time to time; and</p> <p>n. preparing agendas and co-ordinating the preparation of the Board papers in a timely and effective manner.</p> <p>The Company Secretaries constantly keep themselves abreast of the evolving capital market environment, regulatory changes and development in corporate governance through attending relevant conferences and training programmes. During year 2021, they have also attended the relevant continuous professional development programmes as required by the Companies Commission of Malaysia or MAICSA for practising Company Secretaries.</p> <p>The roles and responsibilities of the Company Secretary have been set forth in the Board Charter, which is available on the Company's website at www.jcbnext.com</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

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

Practice 1.6

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>The Directors and other personnel invited receive the Notice of Meeting (including meeting agenda) and a set of Board papers at least one week prior to each Board meeting. This is to enable the Board to study matters to be discussed and obtain further explanations, where necessary, before the meeting date.</p> <p>All pertinent issues discussed at the Board and Board Committee meetings in arriving at the decisions and conclusions are properly recorded by the Company Secretaries.</p> <p>The Minutes of Board and Board Committee meetings are prepared within a reasonable period following the conclusion of the meetings. The draft Minutes are circulated together with the Board papers at the following meetings of the Company and were confirmed and duly signed by the Chairman as a correct record in the Board and Board Committee meetings. Items yet to be resolved would remain as matters arising until the matters have been resolved.</p> <p>The Minutes of meetings record the decisions, including the key deliberations, rationale for each decision made and any concerns or dissenting issues. In addition to the provision, the Directors, either as a group or individually, may upon obtaining prior Board's approval seek independent advice, where necessary, at the Company's expenses on any matters in relation to the discharge of their duties.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 2.1

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

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

Application	: Applied
Explanation on application of the practice	<p>The Board Charter is accessible for reference on the Company's website at www.jcbnext.com. The Board Charter was last updated in April 2022.</p> <p>The Board Charter covers amongst others, the following matters:</p> <ul style="list-style-type: none">• Objectives of the Board;• Role and Responsibilities of the Board;• Board Balance and Composition;• Role of the Chairman;• Role of the CEO;• Role of Independent Directors;• Role of Senior Independent Director;• Tenure of Directors including the limit of 9 years for Independent Directors;• Board Committees;• Company Secretary;• Investor Relations and Shareholders' Communication;• Board Processes;• Anti-Bribery and Corruption Policy; and• Whistleblowing Policy. <p>In developing and reviewing the Board Charter, the Board has taken into account the applicable rules, laws and regulations as well as internal policies.</p> <p>The Board reserved full decision-making powers on the following matters:</p> <ul style="list-style-type: none">(i) Strategic issues and planning;(ii) Material acquisitions and disposition of assets not in the ordinary course of business including significant capital expenditures;(iii) Treasury policies;(iv) Risk management policies;

	<ul style="list-style-type: none"> (v) Appointment of auditors and review of the financial statements encompassing annual audited financial statements and quarterly reports; (vi) Reviewing and approving new investments, divestments, mergers and acquisitions, establishment of subsidiaries or joint ventures, and any other corporate exercises which requires the shareholders' approval; (vii) Financing and borrowing activities; (viii) Ensuring regulatory compliance; (ix) Reviewing the adequacy and integrity of internal controls; (x) Declaration of dividends; (xi) Business plans and budget; (xii) Appointment of Directors, CEO, CFO and other key responsible persons; (xiii) Key human resource issues; (xiv) Limits of Authority; (xv) Conflict of interest issue in relation to a substantial shareholder or a Director including approving related party transactions; (xvi) Codes, frameworks, policies and procedures; which was previously approved by the Board; and (xvii) Sustainability risks and opportunities. <p>The Board Charter shall be periodically reviewed by the Board and amended/or revised as and when required to ensure its relevance and effectiveness.</p>
Explanation for departure :	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
Measure :	
Timeframe :	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has adopted and implemented a Code of Ethics for Directors of the Group. This code is intended to focus the Board and each Director on areas of ethical risk, provide guidance to Directors to help them recognise and deal with ethical issues, provide mechanisms to report unethical conduct and help foster a culture of honesty and accountability. It establishes a standard of ethical behaviour for Directors based on acceptable belief and values. It also includes guidance on relationship with shareholders, employees, creditors and customers and the standard of conduct with regards to social responsibilities and the environment. The Code of Ethics for Directors can be found on the Company's website, www.jcbnext.com.</p> <p>The Board further acknowledges its role in establishing a corporate culture comprising ethical conduct within the Group. Senior Management and employees are guided by policies on acceptable conduct and ethics contained in the Group's employee handbook.</p> <p>Further to that, a Code of Business Conduct and Ethics which applies to directors, officers and employees of the Group, has been formalised. Its purpose is to emphasise the Group's commitment to ethics and compliance with the law, set forth basic standards of ethical and legal behaviour, provide reporting mechanisms for known or suspected ethical or legal violations and to help prevent and detect wrongdoing. The Code of Business Conduct and Ethics can be found on the Company's website, www.jcbnext.com.</p> <p>The Company has adopted an Anti-Bribery and Corruption Policy on 25 February 2020 to provide information and guidance to Directors and employees on standards of behaviour to which they must adhere to and how to recognise as well as deal with bribery and corruption. A copy of the Anti-Bribery and Corruption Policy is made available in the Company's website at www.jcbnext.com.</p>

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

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established a Whistle-Blowing Policy on 17 November 2009 which was last updated on 26 August 2021.</p> <p>The policy establishes the effective rules and procedures for any director, officer or employee of JcbNext to alert/disclose a bonafide complaint or report a genuine concern to a senior or independent member of the management upon discovery of possible misconduct. It also provides the avenue to alert the Company to the fact that its shareholder value of the interests of its stakeholders are being wrongfully harmed, or that they are at risk or harm. Most importantly, the policy safeguards the individual who made the allegations or reported the misconducts.</p> <p>There is only one channel for a whistle-blower to report any impropriety, i.e. via email (jcbwhistle@gmail.com) and it will be directly linked to the members of the ARC. During the financial year under review, there were no cases reported to the ARC.</p> <p>The details of the policy and procedures can be found on the Company's website at www.jcbnext.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>Board Charter has set out the Board roles and responsibilities in relation to governance of sustainability for JcbNext Group. The Board ensures that strategic plan of the Group support long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability.</p> <p>The Board, through quarterly meetings, has proactively considered sustainability when overseeing the Group's business strategy and operational matters. The following discussions have been undertaken:</p> <ul style="list-style-type: none">• Establishment of a Sustainability Working Group to oversee sustainability matters;• Inclusion of sustainability consideration as one of the assessment criterion for potential investment (i.e. environmental, social and governance); and• Periodic reporting of activities/ initiative taken in connection with sustainability. <p>Due to the lack of any major operating activity and the small headcount of the Group, the Board has not established any targets on the Group's sustainability aspirations.</p> <p>Further details of the Company's management of its sustainability material matters is available in the Sustainability Statement of the Annual Report 2021.</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 4.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Due to the lack of any major operating activities and the small headcount of the Group, the scope for setting sustainability strategies, priorities and targets as well as performance against these targets are limited.	
		<p>The Group’s Sustainability Working Group reviews ad-hoc sustainability related matters as and when they arise. For example, during 2020 and 2021, the Sustainability Working Group addressed the safety and well-being of our staff during the COVID-19 pandemic including encouraging them to get vaccinated. In addition, the Company’s Investment Committee also reviews and deliberates on potential investees’ Environmental, Social and Governance (“ESG”) aspects before recommending for approval any potential investment to the Board.</p> <p>A Sustainability Statement has been prepared on an annual basis to communicate on JCB’s sustainability strategies and priorities to its stakeholders. Contents of the Sustainability Statement includes the following:</p> <ul style="list-style-type: none"> • Sustainability governance structure; • Stakeholder engagement; • Materiality assessment; and • Sustainability Matters 	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	During the year, members of the Board of Directors have individually attended various forums and seminars that are related to sustainability. At the Nomination Committee meeting held on 30 March 2022, the committee has identified Sustainability as a focus area for in-house training for the Board. The in-house training is planned to be conducted in May 2022.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	<p>In the Board Evaluation for year 2021, new areas were included to evaluate ESG elements and skills and experience required to drive ESG strategy and implementation.</p> <p>The Nomination Committee and the Board are of the view that the current skills matrix is adequate to meet the strategic objectives of the Group. However, greater emphasis is to be placed on ESG strategies and mapping progress against planned objectives.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Adopted
Explanation on adoption of the practice	:	A Sustainability Working Group (“SWG”) comprising senior management personnel (i.e. CEO, CFO, Chief Technology Officer (“CTO”), Group Financial Controller and Assistant Manager, Building and Admin), has been formed. Collectively, SWG is responsible to plan and implement sustainability initiatives for the Group.

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>Annual review of board effectiveness was undertaken by the Nomination Committee ("NC") to assess the performance of the Board, the Board Committees as well as individual directors. Matters discussed during the annual assessment includes:</p> <ul style="list-style-type: none"> (i) Effectiveness of the Board as a whole and the effectiveness of the relevant board committees (ii) Character, experience, integrity and competence of Directors and Key Senior Management (iii) Mix of skills and experience of directors (iv) Independence of directors (v) Term of office and performance of the ARC (vi) Re-appointment of directors (vii) Size and composition of the Board (viii) Training programmes and continuous development of directors <p>Tenure and re-election of directors are subject to directors' performance and contribution to the Board.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges that having at least half of the Board to consist of Independent Directors would undeniably elevate objectivity whilst preventing dominance and complacency within the boardroom.</p> <p>Presently, the Board comprises of four (4) Directors, two (2) of whom are Independent Directors, representing 50% of Directors on the Board, namely:</p> <ul style="list-style-type: none">a. Mr Teo Koon Hong – Independent Non-Executive Director; andb. Ms Cindy Eunbyol Ko – Independent Non-Executive Director <p>The current size and composition of the Board is within an appropriate range. The Board believe that the current size of the Board is sufficient to enable Board Committees to operate and be dynamic and responsive to the needs of the Group.</p> <p>No politician was appointed on the Board of the Company as of the date of this report.</p> <p>An annual assessment on the independence of the Independent Directors had been conducted. Based on the evaluation results, the Board was satisfied that each Independent Director has fulfilled the independence criteria set out in the MMLR of Bursa Securities and they continue to demonstrate their independence through their engagement in all meetings, providing objective challenges to the Management and bringing independent judgment to decisions taken by the Board.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied	
Explanation on application of the practice	:	None of the Independent Directors exceed a cumulative term limit of nine (9) years.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 - Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Nomination Committee oversees matters related to the nomination of new Directors; annual reviews of required mix of skills, experience and other requisite qualities of Directors; and annual assessments of the effectiveness of the Board as a whole, its committees and its contribution of each individual Director as well as identify candidates to fill board vacancies, and nominating them for approval by the Board.</p> <p>The Nomination Committee met one (1) time in year 2021 to discuss on:</p> <ul style="list-style-type: none">a. Annual assessment for the financial year ended 31 December 2020;b. Re-election of retiring directors;c. Re-assessment of size and composition of Board;d. Approve the Orientation and Training Programmes for continuous development of directors for Financial Year 2021;e. The proposed change in the composition of the ARC; andf. The re-designation of Mr. Liang Wei Li from Acting CEO to CEO. <p>The Terms of Reference of the Nomination Committee can be found on the Company's website, www.jcbnext.com.</p> <p>In addition, the Board has adopted a Board Diversity Policy which sets out the approach to achieve diversity on the Board, by taking into consideration differences in perspective, knowledge, skill, industry and professional experience, education background, age, ethnicity, race and gender in determining the ideal composition of the Board. The Board Diversity Policy can be found on the Company's website, www.jcbnext.com.</p> <p>As the Board is mindful of the importance of devoting sufficient time and effort by each director to carry out his/her responsibilities and enhance the professional skills, the Board will ensure that none of the Directors hold more than five (5) directorships in listed companies.</p>

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

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The appointment of a new Director is a matter for consideration and decision by the full Board upon appropriate recommendation from the Nomination Committee (“NC”). In identifying candidates for appointment as directors, the Board relies on its existing network as well as referrals from directors and major shareholder as they represent tried and tested methods of sourcing high calibre directors with a sound understanding of the business. In addition, the Board may utilise a variety of independent sources to identify suitably qualified candidates. Candidates are thoroughly assessed by the NC based on their competence, integrity, character, time commitment and experience as stated in Paragraph 2.20A of the MMLR of Bursa Securities.</p> <p>Detailed information on the process undertaken by the NC including its process of identifying and appointing a candidate can be found in the Terms of Reference of the NC on the Company’s website at www.jcbnext.com.</p> <p>During the financial year ended 31 December 2021, there was no new appointment of Director</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>Shareholders are kept informed on the Board decision in respect of appointment of directors via announcements to Bursa Securities which are also updated on the Company's website.</p> <p>The performance of retiring Director who is recommended for re-election at the forthcoming Eighteenth AGM ("18th AGM") has been assessed through the Board's annual evaluation (including the evaluation of the independence of Independent Non-Executive Directors). A statement by the Board and Nomination Committee being satisfied with the performance and effectiveness of the retiring Director who offer himself for re-election at the 18th AGM has been included in the notes accompanying the Notice of 18th AGM.</p> <p>The profile of the Director who is due for retirement and eligible for re-election, which includes the nature of interest with the Company for full transparency, if any, is set out in the Annual Report 2021 of the Company.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the Nomination Committee (“NC”) is Mr. Teo Koon Hong who is an Independent Non-Executive Director. The Terms of Reference of the NC explicitly stipulates that the Chairman must be an Independent Director.</p> <p>The Board acknowledges that an effective recruitment and evaluation process of directors is the bedrock of a high-performing Board. The Board therefore believes that Mr. Teo Koon Hong, as an Independent Non-Executive Director, is the most suitable and qualified person to lead the conduct of the process in an objective manner.</p> <p>During the financial year under review, the Chairman of the NC have discharged his duties by undertaking to lead the annual review of Board Effectiveness Evaluation, ensuring that the performance of the Board, Board Committees and each individual director is assessed objectively.</p> <p>The comprehensive duties of the NC can be found in the NC's TOR, made available on the Company's website www.jcbnext.com. Further details on the profile of the Chairman of the NC can be found in the Annual Report 2021.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	Currently, the Board comprises of one (1) female Director and three (3) male Directors. The percentage of female directors on the Board is 25%, which is lower than the required 30%.
		<p>The Board acknowledges the need to promote gender diversity in line with the Malaysian Code of Corporate Governance. Therefore, the Company has established a Board Diversity Policy as an approach to achieve diversity on the Board of the Company. Suitably qualified female candidates who can contribute to the diversity of the Board will be considered for appointment in the event any vacancy for directorship arises or when a decision is made to increase the size of the Board. The Board has, on 22 April 2019, set a target of attaining 20% women directors. With the appointment of Ms Cindy Eunbyol Ko to the Board in June 2019, the target of 20% women directors has been achieved.</p> <p>The Nomination Committee is given the responsibility in reviewing and assessing the composition of the Board annually as well as recommending the appointment of new Directors. The Board Diversity Policy will be reviewed periodically and any changes requires would be discussed. Any recommendations would be for the consideration and approval of the Board.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.10

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges the need to promote gender diversity in line with the Malaysian Code on Corporate Governance. Therefore, the Company has established a Board Diversity Policy as an approach to achieve diversity on the Board of Directors of the Company. Suitably qualified female candidates who can contribute to the diversity of the Board will be considered for appointment in the event that vacancies for directors arise or when a decision is made to increase the current size of the Board.</p> <p>The Nomination Committee is given the responsibility in reviewing and assessing the composition of the Board annually as well as recommending the appointment of new Directors. The Board Diversity Policy will be reviewed periodically and any changes requires would be discussed. Any recommendations would be for the consideration and approval of the Board.</p> <p>In addition, the Board has, on 29 August 2018, established an Employee Diversity Policy to promote workforce diversity in terms of gender, age and ethnicity.</p> <p>The Board Diversity Policy and Employee Diversity Policy can be found on the Company's website, www.jcbnext.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The Board has adopted a formal and objective annual evaluation of the Board, which includes annual assessment of the Board's required mix of skill, experience, quality and core competencies of the Directors, annual assessment of the effectiveness of the Board as a whole and the contribution of each Director.</p> <p>The effectiveness of the Board Committees is assessed in terms of composition, required mix of skills, experience, structure and processes, accountabilities and responsibilities, as well as the effectiveness of the Chairman of the respective Board Committees.</p> <p>The Nomination Committee ("NC") had approved the performance criteria for the assessment of each Director through the Directors' Self and Peer Assessment questionnaire under five (5) main areas namely, Character, Experience, Integrity, Competence and Time Commitment.</p> <p>During the year under review, the performance assessment was conducted in-house under the purview of the NC. The results of the assessment were tabled to the NC for review and discussion. After discussion by the NC, the results were then presented to the Board. The deliberations of the NC and the Board were minuted in the respective meetings.</p> <p>Based on the results of the assessment for financial year 2021, the NC and the Board were satisfied with the outcome of the results as follow:</p> <ul style="list-style-type: none">• The current composition of the Board, which comprises individuals who possess a wide range of expertise and experience in various fields with diverse backgrounds and specialisations, would enable the Board to lead and manage the Group effectively.

	<ul style="list-style-type: none"> • The Board was found to be competent and had a dynamic and balanced mix of skills and experience where the Directors were able to contribute effectively to the Board’s decision-making process. • The Directors had discharged their responsibilities in a commendable manner, acted competently, contributed effectively to the Board and demonstrated full commitment to their duties as Directors. • The Board and Board Committees had contributed positively to the Company and its subsidiaries and were operating in an effective manner. • The performance of the ARC, NC and Remuneration Committee were found to be effective. • The Directors, CEO and CFO demonstrated good character, experience, integrity, competence and possess the necessary traits and time to effectively serve on the Board or the Company, as the case may be. • The ARC members have discharged their functions effectively, the current composition of the ARC was in order and the ARC and its members have carried out their duties in accordance with the ARC’s Terms of Reference. • Each Independent Director has fulfilled the independence criteria set out in the MMLR of Bursa Securities and they continue to demonstrate their independence through their engagement in meetings, providing objective challenge to the Management and bringing independent judgement to decisions taken by the Board. <p>The Terms of Reference of the NC is available on the Company’s website at www.jcbnext.com.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Remuneration Committee is primarily responsible for recommending to the Board the remuneration framework for Directors as well as reviewing the remuneration package for Executive Directors and Senior Management. The Terms of Reference of the Remuneration Committee can be found on the Company's website, www.jcbnext.com.</p> <p>The Board has, on 26 February 2019, formalised a Remuneration Policy for Directors and Key Senior Management. The policy and procedure's objectives are to attract, motivate, retain and reward Directors and Key Senior Management that are responsible for managing, protecting and moving the Group forward to the benefit of all stakeholders and to fairly align the interests of the Directors and Key Senior Management such that they carry out their duties and fiduciary responsibilities in a manner which promotes the achievement of the Group's long-term objectives.</p> <p>The Seventeenth Annual General Meeting ("17th AGM") of the Company held on 16 June 2021 had obtained shareholders' approval for the payment of directors' fees up to an aggregate amount of RM262,000.00 for the financial year ended 31 December 2021 and the benefits payable to the Non-Executive Directors up to an aggregate amount of RM38,000.00 for the period from the date of AGM until the next AGM of the Company in year 2022.</p> <p>The Remuneration Policy for Directors and Key Senior Management can be found on the Company's website, www.jcbnext.com.</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 level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Remuneration Committee ("RC") comprises exclusively the following Non-Executive Directors:</p> <ol style="list-style-type: none">1. Mr. Lim Chao Li - Chairman2. Mr. Teo Koon Hong - Member3. Ms. Cindy Eunbyol Ko - Member <p>The RC is responsible to review and recommend matters relating to the remuneration of the Board of Directors and Senior Management in all its form. The RC ensures the remuneration packages are designed to attract, retain and motivate the Directors. The remuneration packages are tailored based on the criterias set out in the Directors' and Key Senior Management's Remuneration Policy. The Executive Directors and Non-Executive Directors are prohibited from participating or in deciding their own remuneration packages.</p> <p>The Remuneration Committee met twice (2) in year 2021 to:</p> <ol style="list-style-type: none">a. Evaluate performance and review the remuneration packages for the Executive Director and key Senior Management Officers in the Group;b. Discuss and propose Directors' fees to the Non-Executive Directors for the financial year ended 31 December 2021;c. Discuss and propose Benefits Payable to the Non-Executive Directors for the period from the date of the Annual General Meeting ("AGM") until the next AGM of the Company in year 2022; andd. Review and propose the remuneration package for Mr. Liong Wei Li as the CEO of the Company. <p>The Terms of Reference of the RC can be found on the Company's website, www.jcbnext.com.</p>

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

Intended Outcome

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

Practice 8.1

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

Application	:	Applied																												
Explanation on application of the practice	:	<p>Detailed individual Directors' remuneration on a named basis for the financial year ended 31 December 2021 is as follows:</p> <table border="1"><thead><tr><th></th><th>Fees RM</th><th>Meeting allowances RM</th><th>Total RM</th></tr></thead><tbody><tr><td colspan="4">Non-Executive Directors</td></tr><tr><td>Datuk Ali bin Abdul Kadir</td><td>67,000</td><td>5,000</td><td>72,000</td></tr><tr><td>Teo Koon Hong</td><td>64,000</td><td>10,500</td><td>74,500</td></tr><tr><td>Lim Chao Li</td><td>60,000</td><td>8,000</td><td>68,000</td></tr><tr><td>Cindy Eunbyol Ko</td><td>60,000</td><td>10,500</td><td>70,500</td></tr><tr><td>Total</td><td>251,000</td><td>34,000</td><td>285,000</td></tr></tbody></table> <p>The disclosure is made on the listed issuer level, in accordance with paragraph 11, Part A, Appendix 9C of the MMLR of Bursa Securities. Other than the remuneration from the Company, the Directors do not receive any remuneration from any of the subsidiaries within the Group.</p> <p>The same has been disclosed in the Corporate Governance Overview Statement on page 36 of the Annual Report 2021.</p>		Fees RM	Meeting allowances RM	Total RM	Non-Executive Directors				Datuk Ali bin Abdul Kadir	67,000	5,000	72,000	Teo Koon Hong	64,000	10,500	74,500	Lim Chao Li	60,000	8,000	68,000	Cindy Eunbyol Ko	60,000	10,500	70,500	Total	251,000	34,000	285,000
	Fees RM	Meeting allowances RM	Total RM																											
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Lim Chao Li	60,000	8,000	68,000																											
Cindy Eunbyol Ko	60,000	10,500	70,500																											
Total	251,000	34,000	285,000																											

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	Datuk Ali bin Abdul Kadir	Non-Executive Non-Independent Director	67.0	5.0	-	-	-	-	72.0	67.0	5.0	-	-	-	-	72.0
2	Teo Koon Hong	Independent Director	64.0	10.5	-	-	-	-	74.5	64.0	10.5	-	-	-	-	74.5
3	Lim Chao Li	Non-Executive Non-Independent Director	60.0	8.0	-	-	-	-	68.0	60.0	8.0	-	-	-	-	68.0
4	Cindy Eunbyol Ko	Independent Director	60.0	10.5	-	-	-	-	70.5	60.0	10.5	-	-	-	-	70.5

Intended Outcome

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

Practice 8.2

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

Application	:	Applied – the company discloses the remuneration of members senior management who are not members of the board												
Explanation on application of the practice	:	<p>The Group has only 11 employees as at 31 December 2021. The Chief Technology Officer, Mr. Wong Siew Hui, and the CFO, Mr. Gregory Charles Poarch, together with the CEO, Mr. Liong Wei Li, form the Senior Management team.</p> <p>The remuneration inclusive of salary, bonus, benefits-in-kind and other emoluments, on an aggregate basis and in bands of RM50,000, of the abovementioned Senior Management staff for the financial year ended 31 December 2021 is as follows:</p> <table border="1"> <thead> <tr> <th>Name</th> <th>Designation</th> <th>RM</th> </tr> </thead> <tbody> <tr> <td>Liong Wei Li</td> <td>Chief Executive Officer</td> <td>400,001-450,000</td> </tr> <tr> <td>Wong Siew Hui</td> <td>Chief Technology Officer</td> <td>500,001-550,000</td> </tr> <tr> <td>Gregory Charles Poarch</td> <td>Chief Financial Officer</td> <td>300,001-350,000</td> </tr> </tbody> </table> <p>The same has been disclosed in the Corporate Governance Overview Statement on page 36 of the Annual Report 2021.</p>	Name	Designation	RM	Liong Wei Li	Chief Executive Officer	400,001-450,000	Wong Siew Hui	Chief Technology Officer	500,001-550,000	Gregory Charles Poarch	Chief Financial Officer	300,001-350,000
Name	Designation	RM												
Liong Wei Li	Chief Executive Officer	400,001-450,000												
Wong Siew Hui	Chief Technology Officer	500,001-550,000												
Gregory Charles Poarch	Chief Financial Officer	300,001-350,000												
Explanation for departure	:													
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>														
Measure	:													
Timeframe	:													

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the important role of the ARC as part of the corporate governance process. In this regard, the Board has established an ARC which comprises solely Non-Executive Directors to oversee the Company's financial reporting on behalf of the Board.</p> <p>The positions of the Chairman of the ARC and the Chairman of the Board are held by two separate individuals, i.e. Mr Teo Koon Hong and Datuk Ali bin Abdul Kadir respectively.</p> <p>As such, the Chairman of the ARC is distinct from the Chairman of the Board and having the two chairman positions assumed by different individuals allows the Board to objectively review the ARC's findings and recommendations.</p> <p>Mr Teo Koon Hong's full profile is available on the Company's website at www.jcbnext.com and Directors' Profile Section of the Annual Report 2021.</p> <p>The duties and responsibilities of the Chairman of the ARC are outlined in the Terms of Reference of the ARC, which is also available on the Company's website at www.jcbnext.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Terms of Reference of the Company's ARC adopted by the Board on 26 April 2022 has a provision on the requirement of a cooling-off period of at least three (3) years prior to the appointment of a former key audit partner to the ARC. Currently, none of the members of the ARC were former audit partners involved in the audit of the Company and its subsidiaries. The Terms of Reference of the ARC is available on the Company's website at www.jcbnext.com .	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	: Applied
Explanation on application of the practice	<p>The ARC is responsible for assessing the capabilities and independence of the external auditors and to make subsequent recommendations to the Board on the appointment, re-appointment or termination of the external auditors.</p> <p>The ARC meets with the external auditors without Executive Board members and management present. The ARC met with the external auditors twice without the presence of Executive Board members and management during the ARC meetings held in February 2021 and November 2021 respectively.</p> <p>Under its Terms of Reference, the ARC is responsible to conduct an annual assessment of the external auditors. Areas of assessment include among others, the external auditors' objectivity and independence, size and competency of the audit team, audit scope and plan, audit fees, communication with the ARC and audit engagement partner's involvement.</p> <p>For the year under review, the ARC conducted the annual assessment of the external auditors, KPMG PLT, during the ARC meeting held in May 2021 based on the following areas:-</p> <ul style="list-style-type: none">• Calibre of the external auditors• Quality Processes and Performance• Audit Team• Independence, Objectivity and Professionalism• Audit Scope and Planning• Audit Fees• Audit Communications <p>Based on the assessment results, the ARC was satisfied with the suitability of the external auditors, namely KPMG PLT and recognised that the provision of non-audit services by KPMG PLT for the financial year ended 31 December 2021 did not in any way impair their objectivity and independences as the external auditors of the Company.</p> <p>After the review, the ARC recommended the re-appointment of KPMG PLT as external auditors of the Company for the financial year ending 31 December 2022 to the Board for approval and subsequent approval from the shareholders at the upcoming 18th AGM. KPMG PLT has</p>

	<p>indicated their willingness to be reappointed as external auditors of the Company.</p> <p>KPMG PLT also provided assurance that they have been independent throughout their audit engagement in accordance with all relevant professional and regulatory requirements in respect of the Audited Financial Statements for financial year ended 31 December 2021.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The ARC possesses a wide range of skills to discharge its duties. All members of the ARC are financially literate and the majority are or have been accountants by profession, and thus fulfilling the requirement of Paragraph 15.09(1)(c) of the MMLR of Bursa Securities which calls for one (1) member of the ARC to be a member of a professional accountancy body.</p> <p>With the vast working experience and knowledge of all the ARC members, they are able to understand matters under the purview of the ARC and provide sound advice to the Board.</p> <p>An annual assessment on the performance of the ARC during the term of office was undertaken by the Board through the Nomination Committee for the financial year ended 31 December 2021 and the Board was satisfied with the performance of the ARC.</p> <p>During the year under review, members of the ARC have attended training programmes on various subject matters such as regulatory, investment, risk management, corporate governance and other business-related programmes to enable them to discharge their responsibilities as members of the ARC more effectively. Details of the training are disclosed in the Corporate Governance Overview Statement.</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 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board through the ARC has adopted the Enterprise Risk Management Framework to have a common strategic and formal approach to risk management so as to improve decision making, enhance outcomes and accountability.</p> <p>During the year, the Internal Auditors have conducted internal audit reviews which covered, amongst others, the Group's risk and internal control processes. In addition, the Board has received written assurances from the CEO and CFO as well as the Chief Audit Executive of the outsourced internal audit function that the Group's risk management framework and system of internal control are in place and operating adequately and effectively.</p> <p>Details of the Group's risk management internal control framework are disclosed in the Statement on Risk Management and Internal Control on pages 48 to 49 of the Annual Report 2021.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied	
Explanation on application of the practice	:	The features of the Group's risk management framework and system of internal control are disclosed in the Statement on Risk Management and Internal Control on pages 48 to 49 of the Annual Report 2021.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	The Company's ARC have undertaken roles in overseeing both audit and risk management of the Group. The Group's risk management framework and policies are overseen by the ARC. The ARC is supported by ERM Working Committee ("EWC"), which comprises members of management who are overall responsible for the implementation of risk management activities, procedures and methodologies across the Group.

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The ARC is tasked by the Board with the duty of reviewing and monitoring the adequacy and effectiveness of the Group's system of internal control and risk management. During the financial year under review, in carrying out its responsibilities, the ARC relied on the support of an external professional firm of consultants appointed by the Committee, Resolve IR Sdn. Bhd. ("Resolve IR"), which carried out internal audits on various operating units within the Group. These audits review the internal controls in the key activities of the Group's business based on the detailed internal audit plan approved by the ARC. Based on these audits, the Internal Auditors provide the Committee with periodic reports highlighting observations, recommendations and management action plans to improve the system of internal control. In addition, the Internal Auditors performs an annual review of the Group's risk management and internal control processes and presents its findings and recommendations for improvement to the ARC.</p> <p>During the financial year, the ARC has also met with the internal auditors, Resolve IR twice in the absence of the Management to ensure that the independence and objectivity of the Internal Auditors were not compromised.</p> <p>The ARC reviews the adequacy of the scope, function, competency and resources of the internal audit function on a yearly basis.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>During the financial year under review, the internal audit function of the Company has been outsourced to an external professional services firm, namely Resolve IR. Resolve IR is a corporate member of the Institute of Internal Auditors, Malaysia and it is resourced by 18 personnel having the appropriate qualification and experience. The outsourced internal audit function is free from any relationship or conflict of interest that could impair its objectivity and independence. The outsourced internal audit function reports directly to the ARC and the work undertaken is guided by the International Professional Practice Framework on Internal Auditing issued by the Institute of Internal Auditors.</p> <p>The team from Resolve IR is led by the CEO, Mr. Choo Seng Choon (“Mr Choo”), who is also appointed as the Chief Audit Executive of the Company. Mr Choo is a Certified Internal Auditor and Chartered Member of the Institute of Internal Auditors (“IIA”). He is also a Fellow Member of the Association of Chartered Certified Accountant, United Kingdom and a Chartered Accountant of the Malaysian Institute of Accountants.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group strives to maintain its corporate credibility and instil investor confidence in the Group by practising a structured approach in corporate disclosure and investor relations activities. The Group has formalised a Corporate Disclosure and Investor Relations Policy which sets out the principles of communication and disclosure, handling of material and confidential information, step-by-step disclosure process, various mediums of communication approved by the Board and policies and procedures with regards to the handling of material information, confidential information, rumours and reports and forward-looking information.</p> <p>As part of the Group's investor relations programme, discussions will be held between Senior Management and analysts/investors throughout the year. When necessary, presentations based on permissible disclosures are made to explain the Group's performance. Price-sensitive information about the Group is, however, not disclosed in these exchanges until after the prescribed announcement to Bursa Securities has been made.</p> <p>During the year, Management has not conducted any of such meetings and instead, relied on the Company's AGM, website, annual and quarterly reports and announcements made to Bursa Securities as the primary means of communicating with shareholders, investors and analysts.</p> <p>The Group's website, www.jcbnext.com, provides an alternative communications avenue, targeted at presenting an overview of the Group's business, management, operations, governance as well as updates on financial performance not just to shareholders but all other stakeholders comprising customers, tenants, employees and members of the public. The website is updated continually. In addition, the Group's website provides a facility for shareholders and stakeholders to register themselves to receive email alerts of new information posted on the website.</p> <p>Shareholders and investors may also forward their queries to the Company via email to ir@jcbnext.com.</p> <p>The Corporate Disclosure and Investor Relations Policy can be found on the Company's website, www.jcbnext.com.</p>

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

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the significance of the AGM as a platform for direct and meaningful communication between the Board and the Company's shareholders. As such, the Board strives to ensure that shareholders are accorded with sufficient time to consider the resolutions that will be discussed and decided upon at the AGM.</p> <p>The Seventeenth ("17th") AGM was held on 16 June 2021 and the notice of the AGM was given on 18 May 2021 which was more than 28 days prior to the AGM. This goes above and beyond Section 316(2) of the Companies Act 2016 and Paragraph 7.15 of MMLR of Bursa Securities which calls for a 21-days' notice period for public companies or listed issuers respectively.</p> <p>The notice for the AGM outlines the resolutions to be tabled during the meeting and is accompanied with explanatory notes and background information where applicable to shed clarity on the matters that will be decided at the AGM.</p> <p>The notice for the 18th AGM will be given at least 28 days before the meeting date. In order to achieve the widest possible dissemination, the notice of AGM is also circulated in a nationally circulated newspaper alongside with an announcement on the website of Bursa Securities and further uploaded on the Company's website at www.jcbnext.com.</p> <p>Administrative Details are also issued to shareholders to furnish additional information with regards to the conduct of the AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company's annual and extraordinary general meetings ("EGM") provide a vital platform for both private and institutional shareholders to share viewpoints and acquire information on issues relevant to the Group. At the AGM and EGM, shareholders will be encouraged to raise questions on the resolutions being proposed or on the Group's business operations in general. As such, it is important that all directors and Senior Management attend general meetings.</p> <p>During the year under review, all Directors and Senior Management attended the 17th AGM held on 16 June 2021. The outcome of all resolutions proposed of the 17th AGM was announced to Bursa Securities at the end of the meeting day while the Minutes of 17th AGM was published on the Company's website as soon as practicable after the conclusion of the 17th AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>In view of the current COVID-19 pandemic, the Company had taken the necessary precautions and preventive measures in complying with the directives issued by the Ministry of Health Malaysia. These include the option of remote shareholders and proxy participation at the AGM.</p> <p>The 17th AGM of the Company held on 16 June 2021 was conducted fully virtual via Remote Participation and Electronic Voting (“RPEV”) facilities where the Company had leveraged on technology to facilitate remote shareholders’ participation and electronic voting for the conduct of poll on the resolution for the first time. The Administrative Details with detailed registration and voting procedures were shared with the shareholders and the same were also published on the Company’s website. The Company uses the Lumi AGM platform from Lumi AGM UK Ltd. (“Lumi”) as provided by Boardroom Share Registrars Sdn. Bhd. (“Boardroom”) to conduct its fully virtual AGM.</p> <p>During the 17th AGM, the Board of Directors and senior management had addressed substantially all of the questions received from shareholders prior to the 17th AGM as well as during the 17th AGM. The Company had also conducted the voting of all resolutions at the 17th AGM by online live polling to provide for remote voting and immediate poll results.</p> <p>The Company had engaged Boardroom to act as the Poll Administrator to provide the electronic polling services, while Quantegic Services Sdn. Bhd. was the appointed independent scrutineer to verify the poll results. Subsequently, the poll results were announced via Bursa LINK on the same day.</p> <p>The security, confidentiality, integrity, and availability of Lumi AGM platform is vital in conducting the Company’s AGM. The following clarification was provided by Lumi/ Boardroom:-</p> <p>All Lumi AGM systems and suppliers’ services are certified to the ISO/IEC 27001:2013 international standard. This provides a robust, auditable and externally verified framework of controls designed to maintain the confidentiality, integrity, and availability of customer information and the personal data Lumi AGM processes on their behalf. Lumi AGM uses strong, industry best-practice encryption techniques to</p>

	<p>ensure customer data is protected from unauthorized access. All data is encrypted, with all keys managed directly by Lumi AGM. There is also audit trail on respective Lumi AGM system. All products are developed according to OWASP principles by Lumi's in-house developers. Information security and data privacy are of paramount importance throughout all stages of the Software Development Life Cycle. The Lumi AGM platform is regularly and extensively penetration tested using independent, accredited third-party experts. All cloud-based infrastructure is provided by Amazon Web Services (AWS), using the latest industry standards in physical and logical controls. Strong controls to protect from Distributed Denial of Service (DDoS) are in place such as AWS Shield, throttling connection attempts, IP blacklisting etc. Additionally, features and functionality are built into Lumi AGM to protect against a legitimate shareholder wishing to disrupt the meeting (e.g. protester or activist) where messages are moderated, users can silenced/muted or ejected. Boardroom's client data is never used for QA purposes and is not retained beyond the purpose of processing the client's proxy forms for the conduct of the AGM/EGM. All client data is segregated in a multi-tenancy environment. For sovereignty of data, Lumi provides a geographic selection of data centres (Canada, USA, EU, Japan, Singapore and Australia).</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The Chairman of the Board has assured that shareholder will be given the opportunity to participate in a meaningful engagement with the Board and Senior Management in the AGM and to have access to the following:</p> <ul style="list-style-type: none"> • Necessary information related to the AGM (i.e. company performances, prospects, governance as well as matters requiring resolutions) prior to AGM • Real time question and answer session during the AGM • Participation from directors, Board committee and Senior Management to addressed enquiries from shareholders <p>The 17th AGM held on 16 Jun 2021 was interactive in nature and facilitated discussions on the Company's financial and non-financial performance, long-term strategies, compliances as well as other administrative matters. Chairman of the Board together with senior management (i.e. CEO and CFO) have responded and addressed the questions received prior to the 17th AGM as well as those posted during the 17th AGM.</p> <p>A designated investor relation channel has been created to allow enquiries and feedback from stakeholders.</p>
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application	: Departure
Explanation on application of the practice	:
Explanation for departure	: Currently, questions posed by shareholders during the 17 th AGM are not visible to all meeting participants due to the set-up of the virtual general meeting facilities. Questions from shareholders are moderated to allow duplicate questions from shareholders to be combined. The Board in ensuring the conduct of a virtual general meeting that facilitates meaningful engagement between the Board, Senior Management and shareholders, has undertaken the following: <ul style="list-style-type: none">• Provided administrative details on the conduct and participation of 17th AGM to shareholders prior to the 17th AGM;• Employed necessary infrastructure and tools (i.e. software application) to support the smooth broadcast and interactive participation by shareholders;• Conducted questions and answer session during the AGM to address questions from shareholders; and• The Chairman of the 17th AGM reads out the questions from shareholders before the questions are addressed by Senior Management and/or directors. The Minutes of the 17 th AGM with consolidated questions raised by the shareholders was made available on the Company's website. The Board recognised the importance of the AGM which served as an important forum for shareholders to engage with the Directors and Senior Management of the Company. Moving forward, the Board will consider a live interactive two-way dialog infrastructure for future AGMs and shall ensure that questions posed by shareholders are displayed to the meeting participants.

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Departure
Explanation on application of the practice	:
Explanation for departure	: The Minutes of the 17 th AGM held on 16 June 2021 was uploaded to the Company's website on 27 August 2021, approximately more than 30 business days after the 17 th AGM.
	: The Company will endeavour to upload the minutes of the 18 th AGM to be held on 22 June 2022 no later than 30 business days after the general meeting.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

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

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

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