

## **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 0150  
**COMPANY NAME** : Fintec Global Berhad  
**FINANCIAL YEAR** : June 30, 2022

### **OUTLINE:**

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

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

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

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

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

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ul style="list-style-type: none"> <li>• The Board leads and has effective controls over the Group whereby collective decisions and/or close monitoring are exercised on issues relating to strategy, performance, resources, standard of conduct and financial matters. Key matters reserved for the Board's approval include the business plan and budget, capital management and investment policies, authority limits/levels, risk management policies, declaration of dividends, business continuity plan, issuance of new securities, alteration to the share capital of the Company, business restructuring, expenditure above a certain limit, material, acquisitions and disposition of assets.</li> <li>• The Board has delegated day-to-day management of the Group to the Managing Director and the senior management team and specific responsibilities to the Board Committees.</li> <li>• The Board's principal responsibilities include reviewing and adopting a strategic plan, overseeing the conduct of business, risk management, succession planning, overseeing the development and implementation of a shareholder communication policy and reviewing the internal control systems, etc.</li> </ul> <p>The roles and responsibilities of the Board are set out in the Board Charter and the Board Committees' roles and responsibilities in discharging its functions which had been delegated by the Board are set out in each respective Board Committees' Terms of Reference.</p>
<b>Explanation for departure</b>	:	

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

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

### Intended Outcome

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

### Practice 1.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is led by the Independent Non-Executive Chairman, Dato' Seri Abdul Azim Bin Mohd Zabidi. The Chairman is committed to good corporate governance practices and has been leading the Board towards high performing culture.</p> <p>As provided under the Company's Board Charter, the Chairman is responsible for, among others:</p> <ul style="list-style-type: none"><li>i. ensure that the Board plays a constructive part in determination of the Company's strategies and policies, and that Board decisions taken are in the Company's best interests and fairly reflect the Board's consensus to ensure the smooth functioning of the Board;</li><li>ii. ensure effective communication with shareholders and relevant stakeholders.</li><li>iii. act as facilitator at meetings of the Board to ensure that no directors, whether executive or non-executive, dominate discussion, that appropriate discussion takes place and that relevant opinion among directors is forthcoming;</li><li>iv. ensure that all relevant issues are on agenda for Board meeting and all directors are able to participate fully in the Board's activities;</li><li>v. ensure that the Board debates strategic and critical issues;</li><li>vi. ensure that the Board receives the necessary information on a timely basis from Management.</li><li>vii. ensure that Managing Director look beyond his executive functions and accept his full share of responsibilities on governance.</li></ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

**Intended Outcome**

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

**Practice 1.3**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The positions of Chairman and CEO/Managing Director ("MD") are held by different individuals. The roles of Chairman are distinguished from that of the MD' roles with clear division of responsibilities as outlined in the Company's Board Charter.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 1.4**

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The Chairman of the Board of the Company is not a member of the Audit Committee, Nomination Committee and Remuneration Committee and he has not attended any of the committees' meetings.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

### Intended Outcome

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

### Practice 1.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company Secretaries are qualified to act as secretaries under the Companies Act 2016.</p> <p>The roles and responsibilities of the Company Secretaries include, but are not limited to the following:</p> <ul style="list-style-type: none"><li>• Attend all Board and Committee meetings and Annual General Meeting and ensures that deliberations and decisions at the meetings are accurately minuted and properly kept in the minutes books;</li><li>• Guide the Board on issues relating to the Company's Constitution, corporate governance best practices, Companies Act 2016, and Listing Requirements; and</li><li>• Undertake the statutory duties as prescribed under the Companies Act 2016.</li></ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**Intended Outcome**

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

**Practice 1.6**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Directors are supplied with relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters for decisions to be made on an informed basis for an effective discharge of the Board's responsibilities.</p> <p>Procedures have been established for timely dissemination of Board and Board Committee papers to all Directors at least five (5) days prior to the Board and Board Committee meetings, to facilitate decision making by Directors and to deal with matters arising from such meetings. Senior Management of the Group and external advisers are invited to attend Board meetings to provide additional insights and professional views, advice and explanations on specific items on the meeting agenda.</p> <p>Deliberations and decisions made at Board and Board Committees meetings are well documented in the minutes, including matters where Directors abstained from voting or deliberation. The minutes are then circulated to the Directors and Board Committees members for perusal. The minutes are confirmed as correct record by the Board and Board Committees at the respective meetings.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

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

**Practice 2.1**

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is guided by its Board Charter which clearly sets out the Board's roles and responsibilities in discharging its fiduciary and leadership functions.</p> <p>The Board Charter provides guidance for Directors and Management regarding the responsibilities of the Board, Board Chairman, Board Committees, Individual Directors, including Non-Executive Director, Independent Directors, Senior Independent Non-Executive Director as well as the requirements of Directors in carrying out their stewardship role and in discharging their duties towards the Company as well as boardroom activities.</p> <p>The Board Charter was last reviewed, revised and approved by the Board on 27 May 2022 and is available on the Company's website at <a href="http://www.fintec.global/">http://www.fintec.global/</a></p> <p>The Board Charter would be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have impact on the discharge of the Board's responsibilities.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 3.1**

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Group is committed to achieving and monitoring high standards pertaining to behaviour at work.</p> <p>The Board is strictly adhered to the Company Directors' Code of Conduct and Ethics in discharging its oversight role effectively. The Code of Conduct and Ethics require all Directors to observe high ethical business standards, honesty and integrity and to apply these values to all aspects of the Group's business and professional practice and act in good faith in the best interests of the Group and its shareholders. The Code of Conduct and Ethics has been incorporated into the Board Charter of the Company, which is available on the Company's website.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

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

**Practice 3.2**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has adopted a Whistleblowing Policy and Guidelines for the Group as a measure to promote the highest standard of corporate governance. The Whistleblowing Policy and Guidelines outlines the avenues for Directors, employees and stakeholders to raise concerns or disclose in good faith any improper conduct within the Group and to enable prompt corrective actions and measures to resolve them effectively.</p> <p>Any employee who has reasonable ground to believe that there is serious malpractice relating to the matter disclosed, may direct such complaint and report to the Chairman of the Audit Committee in writing. Individuals are able to raise concerns about illegal, unethical or questionable practices in confidence and without the risk of reprisal and Management will ensure that any employee of the Company who raises a genuine complaint in good faith shall not be penalised for such disclosure and the identity of such complainant shall be kept confidential.</p> <p>The Whistle Blowing Policy and Guidelines is available on the Company's website.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 4.1

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

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board will proactively consider sustainability issues such as health and safety, data governance and privacy as well as climate action when overseeing the planning, performance and long-term strategy of the company to ensure that the Company remains resilient and is able to deliver durable and sustainable value as well as maintaining the confidence of its stakeholders.</p> <p>Management will integrate sustainability considerations in the day-to-day operations of the Company and ensure the effective implementation of the Company's sustainability strategies and plans.</p> <p>The sustainability efforts and initiatives undertaken and targets set out by the Company have been disclosed in the Corporate Sustainability Statement of the Company's Annual Report for the financial year ended 30 June 2022 ("FY2022").</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
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**Intended Outcome**

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

**Practice 4.2**

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

<b>Application</b>	: Applied									
<b>Explanation on application of the practice</b>	<p>The Board is aware that stakeholder engagement is vital in ensuring continued business sustainability whereby it enables the company to pursue various approaches and valued stakeholders’ feedbacks and inputs in shaping the Company business strategy as the Company believed effective communication maintained mutually beneficial relationships with the stakeholders.</p> <p>The following key stakeholders have been identified based on their impact and involvement in the Group’s businesses:</p> <table border="1" data-bbox="591 926 1377 1906"> <thead> <tr> <th data-bbox="591 926 792 1031">Material Sustainability Matters</th> <th data-bbox="792 926 1032 1031">Key Concerns</th> <th data-bbox="1032 926 1377 1031">Engagement Platforms</th> </tr> </thead> <tbody> <tr> <td data-bbox="591 1031 792 1335">Investors</td> <td data-bbox="792 1031 1032 1335"> <ul style="list-style-type: none"> <li>• Corporate governance practices</li> <li>• Risk management practices</li> <li>• Sustainable return and growth</li> </ul> </td> <td data-bbox="1032 1031 1377 1335"> <ul style="list-style-type: none"> <li>• Corporate website</li> <li>• Quarterly results announcements</li> <li>• Material matters announcements</li> <li>• Annual reports</li> <li>• Annual general meetings</li> </ul> </td> </tr> <tr> <td data-bbox="591 1335 792 1906">Employees</td> <td data-bbox="792 1335 1032 1906"> <ul style="list-style-type: none"> <li>• Effective programmes for skills enhancement</li> <li>• Proper highlights on risk, hazards incident</li> <li>• Effective discussion on employees’ key concerns</li> <li>• Adequate follow up actions on employees’ key concerns</li> </ul> </td> <td data-bbox="1032 1335 1377 1906"> <ul style="list-style-type: none"> <li>• Weekly update meetings</li> <li>• Online seminar and training</li> <li>• Yearly performance appraisal</li> </ul> </td> </tr> </tbody> </table>	Material Sustainability Matters	Key Concerns	Engagement Platforms	Investors	<ul style="list-style-type: none"> <li>• Corporate governance practices</li> <li>• Risk management practices</li> <li>• Sustainable return and growth</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate website</li> <li>• Quarterly results announcements</li> <li>• Material matters announcements</li> <li>• Annual reports</li> <li>• Annual general meetings</li> </ul>	Employees	<ul style="list-style-type: none"> <li>• Effective programmes for skills enhancement</li> <li>• Proper highlights on risk, hazards incident</li> <li>• Effective discussion on employees’ key concerns</li> <li>• Adequate follow up actions on employees’ key concerns</li> </ul>	<ul style="list-style-type: none"> <li>• Weekly update meetings</li> <li>• Online seminar and training</li> <li>• Yearly performance appraisal</li> </ul>
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	Environment (Occupational Health and safety)	<ul style="list-style-type: none"> <li>Occupational safety</li> <li>Unsafe act and condition</li> <li>Appropriate use of personal protective equipment</li> </ul>	<ul style="list-style-type: none"> <li>Safety and health bulletins/memorandums</li> </ul>
	People	<ul style="list-style-type: none"> <li>Training and personnel development</li> <li>Diversity and equal opportunity</li> <li>Remuneration and benefits</li> </ul>	<ul style="list-style-type: none"> <li>Annual performance appraisal based on the Key Performance Indicators</li> </ul>
	Profit and growth	<ul style="list-style-type: none"> <li>Operational and financial performance</li> <li>Cash flow and treasury management</li> </ul>	<ul style="list-style-type: none"> <li>Weekly meetings</li> <li>Half yearly internal audits</li> <li>Annual external audit</li> </ul>
	Corporate Governance (Anti-Bribery and Corruption; Ethics and integrity)	<ul style="list-style-type: none"> <li>Business conduct and ethics</li> <li>Interested related party</li> <li>Internal control</li> <li>Integrity of business dealings</li> </ul>	<ul style="list-style-type: none"> <li>Code of conduct and ethics</li> <li>Internal audit reports directly to Audit Committee</li> <li>Adoption of Anti-Bribery and Corruption Policies and Practices</li> </ul>
<p>Details of the stakeholder engagement and sustainability objectives are set out in the Company's Corporate Sustainability Statement in the Company's Annual Report FYE 2022.</p>			
<b>Explanation for departure</b>	:		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.3**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board provides the oversight on the Group’s sustainability and is assisted by the Management who oversees the implementation of the Group’s sustainability measures.</p> <p>The Board recognises its responsibility to set the "tone from the top" and ensure good governance within the Group. In this regard, the Board continues to play an active role in providing oversight on all Environmental, Social and Governance (“ESG”) topics and KPIs disclosed in the ESG report. Aside from strategic guidance for management of its identified sustainability material matters and climate-related risk, the Board is also committed in advancing the ESG agenda across the organisation.</p> <p>Further, the Executive Director was tasked in planning of resources, manufacturing and shipping timelines together with the Senior Management to meet the existing global market demands, while the Company strives to look more business opportunities in market with high or unmet potential.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**Intended Outcome**

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

**Practice 4.4**

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	As addressing material sustainability risks and opportunities is the responsibility of the Board and Senior Management, the Board is looking into incorporating the evaluations to include the ESG considerations and sustainability yardstick to ensure accountability in the performance of the directors against sustainability targets.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.5- Step Up**

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

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

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

**Intended Outcome**

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

**Practice 5.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NC review and recommend to its Board the overall composition of the Board and the Board Committees based on the objective criteria, merit and with due regard of the appropriate size, diversity, required mix of skills, experience, age, cultural background, gender, core competencies, and adequate balance between Executive/Managing Director(s), Independent Non-Executive Directors, through its annual review.</p> <p>The Board undertakes annual evaluation to determine the effectiveness of the Board and its Committees. The Board evaluation comprises a Board Assessment, Board Committees' Assessment, an Individual Assessment and an Assessment of Independence of Independent Directors and the assessment on the level of the financial literacy of members of the Audit Committee.</p> <p>The annual re-election of retiring Directors has been contingent on satisfactory evaluation of the Director's performance and contribution to the Board.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The current Board consists of five (5) members, of which four (4) are independent Directors.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.3**

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	There is no independent director serving beyond the cumulative term limit of nine (9) years on the Board of the Company.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.4 - Step Up**

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

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

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

**Intended Outcome**

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

**Practice 5.5**

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group has adopted a policy of non-discrimination of any form, whether based on race, age, religion and gender throughout the organisation, which including the selection of Board members. The Board encourages a dynamic and diverse composition by nurturing suitable and potential candidates equipped with competency, skills, experience, character, time commitment, integrity and other qualities in meeting the future needs of the Company.</p> <p>The Board, supported by the Nomination Committee, conducts an annual review of its composition to ensure that it is able to collectively discharge its duties in an informed and conscientious manner. The Nomination Committee is responsible for reviewing, considering, and recommending candidates for the Board and Senior Management. It assists the Board in reviewing the required mix of expertise, skills and experience of the Board and Senior Management whilst considering the current and future needs of the Company, including boardroom diversity.</p> <p>The Nomination Committee selects the suitable candidates based on the “Fit and Proper” standards as detailed in the Directors’ Fit and Proper Policy, and will consider diversity, including gender, where appropriate, and recommends to the Board for appointment.</p> <p>According to the Company’s Board Charter, any Board member, whilst holding in office, is not prohibited from accepting other board appointment. However, the Board members are required to notify the Board Chairman on their new nomination for directorship in public listed companies prior to accepting new appointment. In order to ensure that the Directors have sufficient time commitment and fulfil their roles and responsibilities effectively, the Directors should not hold more than five (5) directorships in public listed companies.</p>
<b>Explanation for departure</b>	:	

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



### Intended Outcome

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

### Practice 5.6

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Appointments of new Directors are undertaken by the Board as a whole after considering the recommendations of the Nomination Committee. In arriving at any recommendation for recruitment, the Nomination Committee takes into account the existing Board composition.</p> <p>Potential candidates may be proposed by any current Board member, shareholder or senior management personnel or by utilising independent sources such as recruitment firms or through industry associations. In considering potential candidates for appointment, the Nomination Committee undertakes a thorough assessment of the candidate's criteria, amongst others, qualifications, skills, knowledge, expertise, experience, competence, integrity, personal attributes and the capability to devote sufficient time and commitment to the role. Detailed roles and responsibilities of the Nomination Committee ("NC") pertaining to the recruitment and appointment (including re-election/re-appointment) of directors are set out in its terms of reference.</p> <p>During the financial year under review, the NC, upon the recommendation of the management, has reviewed and proposed the appointment of Mr Chew Sin Yong, Mark as an Independent Director of the Company upon the following justifications:-</p> <ul style="list-style-type: none"><li>• the candidate has complied with criteria under Rule 1.01 of the ACE Market Listing Requirements; and</li><li>• the candidate is able to fulfil the Fit &amp; Proper criteria set out in the Board Charter of the Company.</li></ul> <p>Given the size, cost and the industry of the Company, the NC acknowledged that independent sources to identify suitably qualified candidates was not required at this juncture.</p>
<b>Explanation for departure</b>	:	

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

### Intended Outcome

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

### Practice 5.7

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Profiles of Directors who are due for retirement and offered themselves for re-election are set out in the Annual Report FY2022 of the Company.</p> <p>If there is an appointment of the new Board member, the Company would make the necessary announcement to Bursa Malaysia Securities Berhad (“Bursa Securities”) website, whereby the shareholders of the Company are accessible to the details and disclosures of the new candidate(s) as well as the qualifications, working experience and occupation, directorships in public companies and listed issuers, family relationship with any director and or major shareholder of the listed issuer, any conflict of interests that he/she has with the listed issuer and details of any interest in the securities of the listed issuer or its subsidiaries via the Bursa Securities websites.</p> <p>With respect to the re-appointment of the directors of the Company during the Annual General Meeting, the resolution(s) would be tabled at the Annual General Meeting for shareholders’ deliberation and voting.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.8**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Nomination Committee comprises exclusively of Independent Non-Executive Directors, and is chaired by Mr Chu Chee Peng, the Senior Independent Non-Executive Director of the Company.</p> <p>The terms of reference of the Nomination Committee, which was reviewed and revised on 29 August 2022, is available in the corporate website of the Company.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.9**

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>The Board acknowledges the importance of boardroom diversity and takes cognisance of the recommendation of the MCCG 2021 to have 30% female directors. The Board had established a Boardroom Diversity Policy as set out in the Board Charter of the Company, which is available on the corporate website.</p> <p>Management of the Company has been tasked by Nomination Committee and the Board to identify the suitable female candidate to be the Board member of the Company by 1 June 2023.</p>	
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	Choose an item.	

**Intended Outcome**

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

**Practice 5.10**

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Board has adopted a Board Diversity Policy and the same has been incorporated in the Board Charter of the Company. Nomination Committee will consider gender diversity as part of its future selection of candidates for Board and Senior Management positions and look into increasing women representation on the Board and Senior Management, where and when appropriate.</p> <p>However, a specific gender diversity policy for the board and senior management has yet to be developed as the evaluation of candidates for the position at director and senior management level is based on the candidates' competency, character, time commitment, integrity and experience in meeting the needs of the Company. Notwithstanding this, the Board will strive to achieve the right balance of diversity in the Company in accordance with the needs of the business. This will be done over time after taking into account the current size, knowledge and experience of the present Board members and senior management personnel.</p> <p>The Board Diversity Policy which forms part of the Board Charter has been made available on the Company's website at <a href="http://fintec.global/">http://fintec.global/</a></p>
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	Choose an item.

### Intended Outcome

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

### Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The Board undertakes annual evaluation to determine the effectiveness of the Board and its Committees. The Board evaluation comprises a Board Assessment, Board Committees' Assessment, an Individual Assessment and an Assessment of Independence of Independent Directors.  The assessment of the Board is based on specific criteria, covering areas such as the Board structure, Board operations, roles and responsibilities of the Board, the Board Committees and the Chairman's role and responsibilities. For Individual Assessment, the assessment criteria include contribution to interaction, quality of inputs, calibre and personality and understanding of role.  The results of the assessment would form the basis of the Nomination Committee's recommendation to the Board for the re-election of Directors at the next Annual General Meeting.  Based on the annual assessment conducted, the Nomination Committee is satisfied with the existing Board composition and concluded that each Director has the requisite competence, skills, time commitment and experience to serve on the Board and has sufficiently demonstrated their commitment to the Company in terms of time and participation during the year under review, and recommended to the Board the re-election of retiring Directors at the Company's forthcoming Annual General Meeting. All assessments and evaluations carried out by the Nomination Committee in discharging its functions were properly documented.
<b>Explanation for departure</b>	:

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



### Intended Outcome

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

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

### Practice 7.1

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Remuneration Committee and the Board will ensure the Company's remuneration policy remains supportive to the Company's corporate objectives and is aligned with the interest of shareholders, and the remuneration packages of Directors and key Senior Management Officers are sufficiently attractive to attract and to retain persons of high calibre.  The remuneration policy set out in the Board Charter of the Company is available on the Company's website.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

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

### Practice 7.2

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has established a Remuneration Committee which comprises exclusively Independent Non-Executive Directors.</p> <p>The Remuneration Committee reviews and recommends to the Board annually the Board's remuneration package and/or reward payments that reflect their respective contributions for the year, and which depend on the performance of the Group, achievement of the goals and/or quantified organisational targets as well as strategic initiatives set at the beginning of each year.</p> <p>The Remuneration Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the Company's website.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 8.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The details of the remuneration of Directors of the Company (comprising remuneration received and/or receivable from the Company and its subsidiaries) during the financial year ended 30 June 2022 are disclosed in the Corporate Governance Overview Statement of the Annual Report.

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	Dato' Seri Abdul Azim Bin Mohd Zabidi	Independent Director	-	6	-	-	-	-	6	24	6	-	4	-	-	34
2	Ong Tee Kein	Independent Director	72	6	-	12	-	-	90	96	6	-	16	-	-	118
3	Chu Chee Peng Independent	Independent Director	72	6	-	12	-	-	90	108	6	-	18	-	-	132
4	Tan Sik Eek	Executive Director	-	-	349	57	-	52	458	-	-	717	117	-	101	935
5	Chew Shin Yong, Mark	Independent Director	22	1	-	-	-	-	23	32	1	-	-	-	-	33
6	YM Tengku Ahmad Badli Shah Bin Raja Hussin	Independent Director	42	4	-	-	-	-	46	63	3	-	-	-	-	66
7	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

**Intended Outcome**

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

**Practice 8.2**

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Company notes the need for transparency in the disclosure of its key senior management remuneration, the Company is of the opinion that the disclosure of remuneration details may be detrimental to its business interests, given the competitive landscape for key personnel with the requisite knowledge, technical expertise and working experience in the Company's business activities, where intense headhunting is a common industry challenge. Accordingly, such disclosure of specific remuneration information may give rise to recruitment and talent retention issues.	
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	Choose an item.	

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

**Intended Outcome**

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

**Practice 8.3 - Step Up**

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

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

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



**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Audit Committee consisting of three (3) members, all of them are Independent Non-Executive Directors.  The Chairman of the Audit Committee, Mr Ong Tee Kein, is not the Chairman of the Board.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Audit Committee has adopted a policy that requires a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the Audit Committee and the said policy has been incorporated in the Terms of Reference of the Audit Committee. Currently, none of the members of the AC are former key audit partners of the Company.</p> <p>The Terms of Reference of the Audit Committee is available at the Company's website.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.3**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>An annual assessment of the competency and independence of the external auditors was conducted by the Audit Committee. In assessing the external auditors' performance and suitability, the AC considered, inter-alia, the independence, objectivity, professionalism, quality of services, sufficiency of resources and communication and interaction with the external auditors.</p> <p>The Audit Committee received assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out in the By-Laws (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accounts.</p> <p>Based on the annual assessment conducted on the external auditors' performance, the Audit Committee recommended to the Board for the re-appointment of ChengCo PLT as the external auditors of the Company for the financial year ending 30 June 2023.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	All of the members of the Audit Committee are Independent Non-Executive Directors.

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.5**

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>All members of the Audit Committee are financially literate and assist the Board to oversee and scrutinise the process and quality of the financial reporting and ensure accuracy, adequacy and completeness of the report, as well as in compliance with the relevant accounting standards.</p> <p>All members of the Audit Committee undertakes continuous professional development and have annual discussion with the external auditors on financial reporting development to keep themselves abreast of the relevant developments in accounting and auditing standards, practices and rules.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

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

### Practice 10.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Audit Committee oversees the risk management of the Group and advises the Board on areas of high risk faced by the Group and the adequacy of compliance and control throughout the organisation. The Audit Committee also reviews the action plan implemented and makes relevant recommendations to the Board to manage residual risks. The Group has established a formal risk management framework to oversee the risks management of the Company and engaged an external consultant to assist the Company in identifying, assessing and managing the risks in areas that are applicable to the Company's business and ensure that the risk management process in place and functioning effectively.</p> <p>The Company continues to maintain and review its internal control procedures to ensure the protection of its assets and its shareholders' investment.</p> <p>The Company has outsourced its internal audit function to a professional services firm, namely Wensen Consulting Asia (M) Sdn. Bhd. to assist the Audit Committee in discharging its duties and responsibilities in respect of reviewing the adequacy and effectiveness of the Group's risk management and internal control systems. The engaging partner and team are free from any relationships or conflict of interests with the Company, to ensure the Internal Auditors' objectivity and independence are not impaired.</p> <p>The risk appetite of the Group is articulated via the use of risk parameters in the framework, covering financial and non-financial metrics, to assess the likelihood or risks occurring and the impact thereof should the risks crystallise.</p> <p>The Audit Committee reviews, deliberates and evaluates the effectiveness and efficiency of the internal control systems in the organisation which are designed to manage and mitigate rather than eliminate risks in achieving the company's corporate objectives, safeguarding the company's assets as well as investors interest.</p>

	The Group will continue to focus on the key risks and corresponding controls to ensure that they are able to respond effectively to the changing business and competitive environment.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 10.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Statement on Risk Management and Internal Control as included in 2022 Annual Report provides the overview of the internal control framework adopted by the Company during the financial year ended 30 June 2022.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



**Intended Outcome**

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

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

**Practice 10.3 - Step Up**

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

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

**Intended Outcome**

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

**Practice 11.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board always places significant emphasis and sound internal controls which are necessary to safeguard the Group’s assets and shareholders’ investment.</p> <p>The Board has outsourced the internal audit (“IA”) function to an independent assurance provider, namely Wensen Consulting Asia (M) Sdn. Bhd. to provide an independent appraisal over the system of internal control of the Group and reports directly to the Audit Committee. The responsibilities of the Internal Auditors include providing independent and objective reports on the state of internal controls and the significant operating units in the Group to the Audit Committee, with recommendations for improvement to the control procedures, so that remedial actions can be taken in relation to weaknesses noted in the systems.</p> <p>The Internal Auditors are also required to perform periodic testing of the internal control systems to ensure that the system is robust.</p> <p>During the financial year under review, the internal auditors have conducted review on the Group in accordance to the IA Plans, which have been approved by the Audit Committee.</p> <p>Details of the IA function are set out in the Audit Committee report in the 2022 Annual Report.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 11.2

The board should disclose–

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has outsourced the Internal Audit Function to Wensen Consulting Asia (M) Sdn. Bhd.</p> <p>The Internal Audit function is independent of the activities it audits and carries out its work in accordance with the International Professional Practices Framework of the Institute of Internal Auditors, enshrined in the Internal Audit Charter to confirm the Internal Audit’s independence and has sufficient resources to carry out these duties.</p> <p>The engaging partner is Mr Edward Yap, a member of Malaysian Institute of Accountants (MIA), a member of Institute of Singapore Chartered Accountants (ISCA), a fellow member of the Association of Certified Chartered Accountants (FCCA) and Chartered Member of the Institute of Internal Auditors Malaysia (CMIIA). There are 2 to 3 internal audit personnel deployed to carry out the internal audit function, and the team are free from any relationships or conflict of interests with the Company, to ensure the Internal Auditors’ objectivity and independence are not impaired and the internal audit function is carried out in accordance with a recognised framework.</p> <p>The information on the Internal Audit function is available in the Statement on Risk Management and Internal Control in the 2022 Annual Report.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

**Intended Outcome**

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

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

**Practice 12.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the importance of being transparent and accountable to the Company’s stakeholders and acknowledges the continuous communication between the Company and stakeholders would facilitate mutual understanding of each other’s objectives and expectations. As such, the Board consistently ensures prompt and timely dissemination of information to the shareholders and the investors, for them to make informed investment decisions. The supply of clear, comprehensive and timely information to their stakeholders via various disclosures and announcements including quarterly and annual financial results would provide stakeholders and investors with up-to-date financial information of the Group. All these announcements and other information about the Company is available on the Company’s website which is accessible to the shareholders, investors and the public.</p> <p>In addition, the Directors engage with shareholders at least once a year during the Annual General Meeting to understand their needs and seek their feedback.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 12.2**

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

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

**Intended Outcome**

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

**Practice 13.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	In 2022, the Notice of 15th Annual General Meeting was sent to the shareholders at least 28 days before the 15th AGM, in advance of the 21-day requirement under the Company's Constitution, the Companies Act, 2016 and the Listing Requirements, which providing additional time to the shareholders to allow them to make the necessary arrangements to attend and participate in person or by corporate representatives or proxies, and consider the resolutions that will be discussed and decided at the 15th AGM.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 13.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>All the Directors, together with the senior management and the external auditors, shall endeavour to present in person to engage directly with, and be accountable to the shareholders for their stewardship of the Company at the Annual General Meeting.</p> <p>All the Directors have attended the 14th Annual General Meeting held on 29 November 2021.</p> <p>The presence of all the Directors presented opportunities for the shareholders to engage with each Director and also allowed the shareholders to raise questions and concerns directly to the Directors.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



**Intended Outcome**

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

**Practice 13.3**

Listed companies should leverage technology to facilitate–

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company does not have meetings in remote locations. The Company’s general meetings have always been held at a venue which is easily accessible.</p> <p>Nevertheless, the Company does leverage on technology to facilitate shareholders on electronic remote voting or having remote shareholders’ participation in general meetings.</p> <p>With the outbreak of Coronavirus Disease (Covid-19) and as part of the safety measures during the Covid-19 pandemic, the forthcoming Annual General Meeting would be conducted on a fully virtual basis via remote participation and electronic voting.</p> <p>Shareholders are entitled to appoint proxy/proxies to vote on their behalf through the remote participation voting facility in their absence at general meetings.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The last Annual General Meeting of the Company was held on 29 November 2021 on fully virtual basis and shareholders were provided with sufficient opportunity to pose questions to the Board via the "Q&A" panel during the meeting.  As active participation from shareholders is encouraged, the Board strives to answer as many questions as possible during the annual general meeting. The Chairman/Board will try to respond to the relevant questions posed by the shareholders at the meeting within the stipulated time, and all other relevant questions would be collected throughout the session and replied later through shareholders' registered e-mail address.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

### Intended Outcome

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

### Practice 13.5

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

*Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The 14th Annual General Meeting was held on 29 November 2021 on a fully virtual basis through live streaming and Remote Participation and Voting (“RPV”) facilities.</p> <p>The forthcoming 15th Annual General Meeting will also be conducted on a fully virtual basis through live streaming and RPV facilities.</p> <p>The administrative guide of the 15th Annual General Meeting as well as the detailed registration and voting procedures will be shared with shareholders and the same will also be published on the corporate website.</p> <p>The RPV facilities enables shareholders to attend, participate, pose questions and vote remotely without physically attending the meeting. Questions received during the live stream will be answered by the Directors and Management during the meeting or subsequent to the meeting via registered e-mail address.</p> <p>Voting procedures will be explained at the meeting and an independent scrutineer will be appointed to validate the votes. Votes cast, for or against and the respective percentages, on each resolution will be displayed on the screen and subsequently announced to Bursa Malaysia Securities Berhad.</p>
<b>Explanation for departure</b>	:	

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

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

**Intended Outcome**

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

**Practice 13.6**

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
<b>Application</b>	: Departure
<b>Explanation on application of the practice</b>	:
<b>Explanation for departure</b>	: <p>The summary of the key matters discussed for the 14th Annual General Meeting was published in the Company's corporate website after 30 business day of the Annual General Meeting.</p> <p>The Board acknowledges the requirement of the MCCG 2021 to circulate the minutes of the general meeting to the shareholders no later than 30 business days after the general meeting and will take necessary action to publish the minutes of the 15th Annual General Meeting in the Company's corporate website which is accessible to all shareholders and the public.</p> <p>Please provide an alternative practice and explain how the alternative practice meets the intended outcome.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	: Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	: Choose an item.

**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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