

CORPORATE GOVERNANCE REPORT

STOCK CODE : 1694
COMPANY NAME : MENANG CORPORATION (M) BERHAD
FINANCIAL YEAR : June 30, 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 is responsible for the leadership, oversight, control, development and long-term success of the Group. It is also responsible for instilling the appropriate culture, values and behaviour throughout the Group.</p> <p>The Company's Board Charter defines the specific duties and responsibilities of the Board which is published on the Company's website.</p> <p>The Board has delegated specific responsibilities to various Board Committees, namely the Audit and Risk Management Committee, the Nomination Committee and the Remuneration Committee whose functions are within their respective Terms of Reference approved by the Board. Each Committee's Terms of Reference are periodically reviewed by the Board. These Committees assist the Board in making informed decisions through in-depth discussions on issues in discharge of the respective committees' Terms of Reference and responsibilities.</p> <p>The respective Terms of Reference are available on the Company's website.</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

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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	After the resignation of the former Chairman of the Board of Directors on 29 January 2021, the Company has not appointed a new Chairman of the Board.	
		The Group Managing Director of the Company was elected to preside as Chairman of the Board at every Board Meeting	
<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>Presently, the Company has not appointed a chairman of the Board and will endeavor to identify a suitable candidate to be appointed as Chairman of the Board soonest possible.</p> <p>The Group Managing Director, Mr. Toh May Fook is responsible for the conduit between the Board and the Management in ensuring the success of the governance and management functions of the Company.</p> <p>The Company's Board Charter defines the respective roles and responsibilities of the Group Chairman and Group Managing Director which is published on the Company's website.</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

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 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 Secretaries are qualified Chartered Secretaries under Section 235(2)(a) of the Companies Act 2016 and are members of the Malaysian Association of the Institute of Chartered Secretaries and Administrators.</p> <p>All Directors have access to the advice and services of the Company Secretaries, who are responsible to the Board in providing sound governance advice and ensuring that the Board complies with the necessary rules and regulation.</p> <p>The roles and responsibilities of the Company Secretaries have been set forth in the Board Charter of the Company which is available on the Company's website.</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

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

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 notice of the Directors' meeting is given in writing at least seven (7) days prior to the meeting together with the relevant agenda items in order for the Board to have sufficient time to go through the meeting materials in order to have a conducive and meaningful discussion in the meeting.</p> <p>Upon conclusion of the meeting, the minutes are prepared and circulated to the Board and the Board Committees for review/comments in a timely manner.</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>In performing its duties, the Board is guided by the Board Charter that sets out amongst others its roles, composition, responsibilities, powers and the Board and the Board Committees meeting procedures. The key elements of governance principles embedded in the Board Charter regulate the Board's conducts and guide the business strategic initiative of the Group.</p> <p>The Board Charter also contains formal schedule of matters reserved for the Board's consideration and decision.</p> <p>The Board Charter of the Company is available on the Company's website.</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 3.1

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 Company has established a Code of Conduct and Ethics to promote a corporate culture which engenders ethical conduct that permeates throughout the Group and includes procedures in managing conflict of interest and prevention of fraudulent activities.</p> <p>The Directors, Senior Management and employees of the Group are encouraged to adhere to the Code of Conduct and Ethics in their management practices to ensure compliance with applicable laws, rules and regulations, to safeguard and ensure the proper use of the assets of the Group and to report on any unlawful and unethical behaviour. Hence, the Group commits to a high standard of professionalism and ethics in the conduct of its business and professional activities.</p> <p>The Code of Conduct and Ethics of the Company is available on the Company's website.</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 had established a Whistleblowing Policy to enhance corporate governance practices across the Group and to provide Directors, Employees, Shareholders or any parties with a business relationship of the Group with an avenue to report suspected wrongdoings that may adversely impact the Group.</p> <p>The aim of this policy is to encourage the reporting of such matters in good faith, with the confidence that the person filing the report, as far as possible, be protected from reprisal, harassment or subsequent discrimination.</p> <p>The Whistleblowing Policy of the Company is available on the Company’s website.</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 4.1

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board currently consists of seven (7) members, comprising three (3) Executive Directors, one (1) Non-Independent Non-Executive Director and three (3) Independent Non-Executive Director.</p> <p>The Board is in compliance with Paragraph 15.02(1) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad.</p> <p>Although the current Board composition does not comprise of at least half Independent Directors, the three (3) Independent Directors, are able to provide adequate check and balance and to provide independent views and advice to all Board deliberations. This represents satisfactory alternative to the requirement of the recommended best practice of having at least half of the Board members to be Independent Directors, with appropriate representations of minority interest through the Independent Non-Executive Directors.</p> <p>Notwithstanding the above, the Board operates in a manner that ensures the Directors exercise independent judgement and the interests of shareholders are always at the forefront when important decisions are made by 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 4.2

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 justify and seek annual shareholders' approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.

Application	:	Not applicable - No independent director(s) serving beyond 9 years	
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

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

Practice 4.3 - Step Up

The board has a policy which limits the tenure of its independent directors to 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 4.4

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board, assisted by the Nomination Committee, is committed to ensure that the Board and Senior Management are sufficiently diverse and appropriately balanced. In making recommendations to the board on suitable candidature of Directors, the Nomination Committee shall assess and consider the following attributes or factors:</p> <ul style="list-style-type: none"> • Skills, knowledge, expertise and experience • Professionalism • Commitment to effectively discharge his/her role as a Director • Contribution and performance • Background, character, integrity, and competence • In the case of candidates for the position of Independent Non-Executive Directors, the Committee shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors • Boardroom diversity including gender diversity <p>The Company is committed to ensuring that the Board and Senior Management are sufficiently diverse and appropriately balanced. This is further supported by the annual assessment carried out by the Nomination Committee. The Board concluded that the skills and experience of the current Directors satisfy the requirements of the skills matrix and that the Chairman possesses the leadership to safeguard the stakeholders' interest and ensure the development of the Group.</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 4.5

The board discloses in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>The Board has not defined the Company's policies on gender diversity as the Board is of the opinion that appointment of directors are based on merits regardless to the gender of the appointed directors. The current policy practiced by the Company is to avoid any gender bias and treat both genders with fair and equal consideration.</p> <p>Currently, the Board has one (1) woman director, Ms. Liew Sook Pin who was appointed to the Board as a Non-Independent Non-Executive Director and was subsequently redesignated to an Executive Director on 1 February 2021.</p> <p>The Board is open to consider suitable women candidates who could meet the objective criteria, merit and with due regard for diversity in skills, experience, age to join the Company.</p> <p>The Board is assisted by the Nomination Committee to review the size, competencies, gender representation of the Board to ensure it remains diverse, which leads to better deliberations.</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 4.6

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.

Application	:	Applied	
Explanation on application of the practice	:	During the financial year, the Board has utilised independent search firms as one of the avenue in identifying suitable candidates for appointment as Director of the Company.	
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 4.7

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

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the Nomination Committee is chaired by an Independent Non-Executive Director, namely Mr. Yee Chun Lin.	
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 5.1

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 and its outcome.

For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.

Application	:	Applied	
Explanation on application of the practice	:	During the year, the Board conducted an internally facilitated Board assessment via the Nomination Committee. The results and recommendations from the evaluation of the Board and Committees are reported to the full Board for full consideration and action. All assessments and evaluations carried out by the Nomination Committee in the discharge of its functions are properly documented. The Board was satisfied with the results of the annual assessment and the current size and composition of the Board is appropriate and well-balanced with the right mix of skills, comprising individuals of high calibre, credibility and with the necessary skills and qualifications to enable the Board to discharge its duties and responsibilities effectively.	
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 6.1

The board has in place 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 policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>On a yearly basis, the Remuneration Committee reviews and recommends to the Board the remuneration package of the Executive Directors and key Senior Management.</p> <p>The Remuneration Committee also ensures that the level of remuneration for Non-Executive Directors and Independent Directors are linked to their experience and level of responsibilities undertaken and contributions to the effective functioning of the Board.</p> <p>In making its recommendation, the Remuneration Committee considers various factors including the fiduciary duties, time commitments expected of them and the Group's performance. The Board is mindful that fair remuneration is critical to attract, retain and motivate the Board and employees 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

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 6.2

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

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

Application	:	Applied
Explanation on application of the practice	:	The Remuneration Committee comprises of three (3) Independent Non-Executive Directors. The roles and responsibilities of the Remuneration Committee are provided in its term of reference which is available on the Company's website.
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 7.1

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>The details of the remuneration of the Board (on named basis) of the Company comprising remuneration received/receivable from the Company and the Group for FYE 30 June 2021 are set out below:</p> <table border="1"> <thead> <tr> <th rowspan="3"></th> <th colspan="3">Company</th> <th rowspan="3">Total RM</th> </tr> <tr> <th>Fee</th> <th>Salaries & Bonus</th> <th>Others</th> </tr> <tr> <th>RM</th> <th>RM</th> <th>RM</th> </tr> </thead> <tbody> <tr> <td>Executive Directors</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Mr. Toh May Fook</td> <td>16,491</td> <td>-</td> <td>-</td> <td>16,491</td> </tr> <tr> <td>Ms. Lee Min Huat</td> <td>16,491</td> <td>-</td> <td>-</td> <td>16,491</td> </tr> <tr> <td>Mr. Liew Sook Pin</td> <td>16,491</td> <td>-</td> <td>-</td> <td>16,491</td> </tr> <tr> <td>Y.A.M. Raja Shahrudin Rashid⁽¹⁾</td> <td>-</td> <td>10,500</td> <td>1,562</td> <td>12,062</td> </tr> <tr> <td>Ms. Marianna Binti Aly Shun⁽²⁾</td> <td>6,575</td> <td>10,500</td> <td>1,562</td> <td>18,637</td> </tr> <tr> <td>Total</td> <td>56,048</td> <td>21,000</td> <td>3,124</td> <td>80,172</td> </tr> <tr> <td>Non-Executive Director</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Mr. Chee Wai Hong</td> <td>16,491</td> <td>-</td> <td>-</td> <td>16,491</td> </tr> <tr> <td>Mr. Yee Chun Lin</td> <td>16,491</td> <td>-</td> <td>-</td> <td>16,491</td> </tr> <tr> <td>Mr. Kee Hock Kee</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Mr. Too Kok Leng⁽³⁾</td> <td>16,168</td> <td>10,500</td> <td>1,492</td> <td>28,160</td> </tr> <tr> <td>Mr. Chiam Tau Meng⁽⁴⁾</td> <td>11,749</td> <td>-</td> <td>59,500</td> <td>71,249</td> </tr> <tr> <td>Dato' Shun Leong Kwong⁽⁵⁾</td> <td>6,575</td> <td>-</td> <td>-</td> <td>6,575</td> </tr> <tr> <td>Mr. N.Sivagurunathan V.Narayanasamy⁽⁶⁾</td> <td>-</td> <td>-</td> <td>8,774</td> <td>8,774</td> </tr> <tr> <td>Mr. Wong Koon Wai⁽⁷⁾</td> <td>-</td> <td>-</td> <td>8,774</td> <td>8,774</td> </tr> <tr> <td>Mr. Leou Thiam Lai⁽⁸⁾</td> <td>-</td> <td>-</td> <td>59,500</td> <td>59,500</td> </tr> <tr> <td>Dr. Christopher Shun Kong Leng⁽⁹⁾</td> <td>-</td> <td>-</td> <td>51,000</td> <td>51,000</td> </tr> <tr> <td>Total</td> <td>67,474</td> <td>10,500</td> <td>189,040</td> <td>267,014</td> </tr> </tbody> </table> <p>¹ Y.A.M. Raja Shahrudin Rashid resigned on 29 January 2021 ² Ms. Marianna Binti Aly Shun removed on 30 March 2021 ³ Mr. Too Kok Leng re-designated as Non-Independent Non-Executive Director on 1 February 2021 ⁴ Mr. Chiam Tau Meng resigned on 20 May 2021 ⁵ Dato' Shun Leong Kwong removed on 30 March 2021 ⁶ Mr. N.Sivagurunathan V.Narayanasamy resigned on 29 January 2021 ⁷ Mr. Wong Koon Wai resigned on 29 January 2021</p>		Company			Total RM	Fee	Salaries & Bonus	Others	RM	RM	RM	Executive Directors					Mr. Toh May Fook	16,491	-	-	16,491	Ms. Lee Min Huat	16,491	-	-	16,491	Mr. Liew Sook Pin	16,491	-	-	16,491	Y.A.M. Raja Shahrudin Rashid ⁽¹⁾	-	10,500	1,562	12,062	Ms. Marianna Binti Aly Shun ⁽²⁾	6,575	10,500	1,562	18,637	Total	56,048	21,000	3,124	80,172	Non-Executive Director					Mr. Chee Wai Hong	16,491	-	-	16,491	Mr. Yee Chun Lin	16,491	-	-	16,491	Mr. Kee Hock Kee	-	-	-	-	Mr. Too Kok Leng ⁽³⁾	16,168	10,500	1,492	28,160	Mr. Chiam Tau Meng ⁽⁴⁾	11,749	-	59,500	71,249	Dato' Shun Leong Kwong ⁽⁵⁾	6,575	-	-	6,575	Mr. N.Sivagurunathan V.Narayanasamy ⁽⁶⁾	-	-	8,774	8,774	Mr. Wong Koon Wai ⁽⁷⁾	-	-	8,774	8,774	Mr. Leou Thiam Lai ⁽⁸⁾	-	-	59,500	59,500	Dr. Christopher Shun Kong Leng ⁽⁹⁾	-	-	51,000	51,000	Total	67,474	10,500	189,040	267,014
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⁸ Mr. Leou Thiam Lai resigned on 17 December 2020
⁹ Dr. Christopher Shun Kong Leng resigned on 29 January 2021

	Group			Total RM
	Fee	Salaries & Bonus	Others	
	RM	RM	RM	
Executive Directors				
Mr. Toh May Fook	16,491	190,000	22,998	229,489
Ms. Lee Min Huat	16,491	190,000	22,998	229,489
Mr. Liew Sook Pin	16,491	190,000	23,108	229,599
Y.A.M. Raja Shahrudin Rashid ⁽¹⁾	-	164,500	138,180	302,680
Ms. Marianna Binti Aly Shun ⁽²⁾	6,575	133,000	87,360	226,935
Total	56,048	867,500	294,644	1,218,192
Non-Executive Director				
Mr. Chee Wai Hong	16,491	-	-	16,491
Mr. Yee Chun Lin	16,491	-	-	16,491
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Mr. Too Kok Leng ⁽³⁾	16,168	150,500	138,898	305,566
Mr. Chiam Tau Meng ⁽⁴⁾	11,749	-	59,500	71,249
Dato' Shun Leong Kwong ⁽⁵⁾	6,575	-	113,300	119,875
Mr. N.Sivagurunathan V.Narayanasamy ⁽⁶⁾	-	-	8,774	8,774
Mr. Wong Koon Wai ⁽⁷⁾	-	-	8,774	8,774
Mr. Leou Thiam Lai ⁽⁸⁾	-	-	60,761	60,761
Dr. Christopher Shun Kong Leng ⁽⁹⁾	-	-	51,000	51,000
Total	67,474	150,500	441,007	658,981

¹ Y.A.M. Raja Shahrudin Rashid resigned on 29 January 2021

² Ms. Marianna Binti Aly Shun removed on 30 March 2021

³ Mr. Too Kok Leng re-designated as Non-Independent Non-Executive Director on 1 February 2021

⁴ Mr. Chiam Tau Meng resigned on 20 May 2021

⁵ Dato' Shun Leong Kwong removed on 30 March 2021

⁶ Mr. N.Sivagurunathan V.Narayanasamy resigned on 29 January 2021

⁷ Mr. Wong Koon Wai resigned on 29 January 2021

⁸ Mr. Leou Thiam Lai resigned on 17 December 2020

⁹ Dr. Christopher Shun Kong Leng resigned on 29 January 2021

**Explanation for
departure** :

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

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 7.2

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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board is of view that due to the highly competitive nature of the human resource market, the remuneration of the top five (5) Senior Managements which includes salary, bonus, benefits in-kind and other emoluments for the financial year ended 30 June 2021 would not be disclosed in the Annual Report of the Company.</p> <p>The current disclosure of remuneration components complies with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.</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

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 7.3 - 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	:	

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 8.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has yet to appoint a Chairman of the Board following the resignation of the former Chairman of the Board on 29 January 2021.</p> <p>The Chairman of the Audit and Risk Management Committee is chaired by an Independent Non-Executive Director, namely Mr. Chee Wai Hong.</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 8.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company has always recognised the need to uphold independence. None of the members of the Board or Board Committees were former key audit partners.</p> <p>During the financial year, none of the members of the Audit and Risk Management Committee was a former key audit partner 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

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 8.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board, through its Audit and Risk Management Committee ("ARMC") maintains a formal and transparent relationship with its External Auditors. The Board had delegated the responsibility to the ARMC for making recommendations on the appointment, reappointment or removal of the External Auditors as well as on their remunerations. The ARMC work closely with the External Auditors and Internal Auditors to enhance the effectiveness of the overall audit process. The ARMC assesses the performance and effectiveness of the External Auditors annually, considering amongst others, their qualifications, effectiveness of the audit process, quality of service and their independence.</p> <p>The External Auditors also confirmed to the ARMC that they had been independent throughout the audit engagement in respect of the financial under review.</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 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	As at the financial year ended 30 June 2021, the Audit and Risk Management Committee comprises solely of Independent Non-Executive Directors as disclosed in the Annual Report.

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 8.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate 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>All members of the Audit and Risk Management Committee (“ARMC”) possess a considerable understanding of financial reporting and auditing processes. They also have the necessary accounting, financial, banking, commercial and capital markets skills required to meet their responsibilities and provide an effective level of challenge to the management.</p> <p>The ARMC members continuously undertake professional development and trainings from time to time to keep themselves abreast with the current developments in the industry as well as new statutory and regulatory developments including changes in accounting standards.</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 9.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit Committee and Risk Management Committee (“ARMC”) will assist the Board on the ongoing process for identifying, evaluating and managing the significant risks faced by the Group.</p> <p>The ARMC with the assistance of the Risk and Sustainability Management Working Committee, reviews the adequacy and effectiveness of the Group’s risk management and internal control system which has been embedded in all aspect of the Group’s activities on continuous basis and reviews the significant risks identified regularly to ensure sufficient measures are taken to mitigate the risk.</p> <p>The Group has engaged an Independent professional firm, CGRM Infocomm Sdn. Bhd. to review the Internal Control systems to determine if the internal control procedures have been complied with as well as to make recommendations to strengthen the system.</p> <p>The findings arising from the risk evaluation process and internal audit process as well as the recommendations for improvement are presented to Risk and Sustainability Management Working Committee and ARMC.</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 9.2

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	:	<p>The Board acknowledges the importance of maintaining a sound risk management and internal control framework to safeguard shareholders' investments and Company's assets. Therefore, a framework to formulate and review risk management policies and risk strategies has been established.</p> <p>Further information on the Group's risk management framework is presented in the Statement on Risk Management and Internal Control of the Annual Report.</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 9.3 - 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 :	Not Adopted
Explanation on adoption of the practice :	

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 10.1

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 Audit and Risk Management Committee of the Company is responsible for monitoring and reviewing the effectiveness of the Group's Internal Audit function. The Internal Audit function is led by the Internal Auditors, which is outsourced to CGRM Infocomm Sdn. Bhd. The Internal Auditors attends and reports at the Audit and Risk Management Committee meetings on its work conducted as well as its findings, management's responses and recommendations.</p> <p>Further information on the Group's Internal Audit Function is presented in the Audit and Risk Management Committee Report of the Company's Annual Report.</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 10.2

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>The Internal Audit Function is outsourced to an external professional firm, namely CGRM Infocomm Sdn. Bhd. The Internal Auditor reports to the Audit and Risk Management Committee. This reporting relationship supports internal audit independence and objectivity, which assures adequate consideration of audit recommendations and planned corrective actions. The relationship also gives the Internal Audit staff the authority needed for full and unrestricted access to any or all operations, records, property and personnel within the Group.</p> <p>The Internal Audit function is carried out in accordance with the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.</p> <p>Details on the number of resources and the personnel responsible for the internal audit are set out in the Audit and Risk Management Committee Report of the Annual Report.</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 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has formalised a corporate disclosure policy and procedure not only to comply with the disclosure requirements as stipulated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, which also sets out the persons authorised and responsible to approve and disclose material information to all stakeholders.</p> <p>The Group's financial performance, major corporate developments and other relevant information are promptly disseminated to shareholders and investors via announcements of its quarterly results, annual report, corporate announcements to Bursa Malaysia Securities Berhad.</p> <p>It is the Group's practice that any material information for public announcement, including annual, quarterly financial statements, press releases, and presentation to investors, analyst and media are factual and reviewed internally before issuance to ensure accuracy and is expressed in a clear and objective manner.</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 11.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Not applicable as the Company is not a Large Company as defined in the Malaysian Code on Corporate Governance.	
<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 12.1

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 notice of the Annual General Meeting (“AGM”) is given to the shareholders at least 28 days prior to the meeting date.</p> <p>The Notice of AGM which sets out the businesses to be transacted at the AGM, will be published in a nationally circulated newspaper and the Company’s website.</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 12.2

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	:	During the Annual General Meeting of the Company, all Directors will attend the meeting to address questions from the shareholders.	
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 12.3

Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate–

- including voting in absentia; and
- remote shareholders' participation at General Meetings.

Application	:	Applied	
Explanation on application of the practice	:	The Company has leveraged on technology to conduct the Fifty-Sixth Annual General Meeting of the Company, which was conducted virtually through live streaming and online remote voting facilities, which is in compliance with Section 327 of the Companies Act 2016.	
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	:		

**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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