

CORPORATE GOVERNANCE REPORT

STOCK CODE : 3441
COMPANY NAME : Johan Holdings Berhad
FINANCIAL YEAR : July 31, 2023

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

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

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the Board is Tan Sri Dato' Tan Kay Hock. The Chairman carries out a leadership role in the conduct of the Board and its relations with the shareholders and other stakeholders.</p> <p>The Chairman is primarily responsible for:</p> <ul style="list-style-type: none"> • leading the Board in the oversight of management; • long range strategic planning for the Group; • representing the Board to shareholders, to chair and ensure the efficient organisation and conduct of the Board and shareholders meetings; • ensuring the integrity of the governance process and issues; • functioning as a facilitator at Board meetings to ensure that no Director dominates discussion, that appropriate discussions take place and that relevant opinions among Board members is forthcoming; • ensuring that all Directors are enabled and encouraged to participate in its activities; • guiding and mediating Board actions with respect to organisational priorities and governance concerns; and • performing other responsibilities assigned by the Board from time to time.
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 1.3

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Chairman of the Board, Tan Sri Dato' Tan Kay Hock also acts as the Chief Executive Officer. Tan Sri Dato' Tan Kay Hock was appointed as the Chairman and Chief Executive of the Company since year 1981. From then, Johan Holdings Berhad rapidly diversified away from its tin mining business and transformed into a Malaysian-grown regional and international group within five (5) years' time.</p> <p>In view of the experience and extensive knowledge of Tan Sri Dato' Tan Kay Hock on the Group's businesses and operations, the Board is of the view that it is in the interest of the Company to maintain Tan Sri Dato' Tan Kay Hock's dual role as Chairman and Chief Executive Officer.</p> <p>There is clear segregation of responsibilities between the Chief Executive Chairman and the Group Managing Director to ensure a balance of power and authority. The Chief Executive Chairman is responsible for long range strategic planning for the Group whilst the Group Managing Director has overall responsibility in managing the Group's business.</p> <p>In addition, the Independent Non-Executive Directors are able to provide unbiased and independent view, advice and judgement to fulfil a pivotal role in corporate accountability.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Departure
Explanation on application of the practice :	
Explanation for departure :	<p>The Chairman of the Board, Tan Sri Dato' Tan Kay Hock, is not a member of any Board Committees. However, Tan Sri Dato' Tan Kay Hock is invited to the Board Committees meetings but does not take part in any decisions by members of the Board Committees.</p> <p>At Board meetings and Board Committee meetings, the Chairman always encourage open and constructive discussion amongst the members. Each member is always invited to provide his view and opinion to ensure the proposals put forth at each meeting is deliberated by all members. As such, the risk of self-review will be mitigated.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe :	Choose an item.

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by a Company Secretary who is suitably qualified, competent and capable of carrying out the duties required.</p> <p>The primary responsibilities of the Company Secretary include:-</p> <ul style="list-style-type: none">• provide support to the Board in fulfilling its fiduciary duties;• ensure compliance with regulatory requirements;• ensure adherence to board policies and procedures, rules, relevant laws and the best practice of corporate governance;• attend Board meetings and general meetings, and ensure the proper recording of minutes;• ensure proper upkeep of statutory registers and records.
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 1.6

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

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

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has adopted a Board Charter which provides guidance for Directors and Management regarding the responsibilities of the Board, Board Committee and the Management. The Board Charter is reviewed regularly to ensure it complies with legislation and best practices, and remains relevant and effective in light of the Board's objective.</p> <p>The Board Charter is available on the Company's website at www.johanholdings.com.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has adopted a Code of Ethics for Company Directors. This Code of Ethics serves as a standard for the ethical behaviour of Directors based on trustworthiness and accepted values. The Code also upholds the spirit of responsibility and civic-mindedness that are in line with the latest legislations, regulations and guidelines for administrating a company.</p> <p>The Board has also adopted a Code of Conduct and Ethics that provides guidance to the Directors, Management and employees of the Group on acceptable practices and behaviour to assist them in their compliance with the applicable laws and regulations and to act with high standards of business integrity.</p> <p>The areas covered by the Code of Conduct and Ethics are Compliance with Laws, Conflicts of Interest, Related Party Transactions, Confidential Information, Insider Trading, Bribery and Corruption, Business Courtesies, Money Laundering, Work Environment, Harassment in the Workplace, Equal Opportunity and Company Assets.</p> <p>Both the Code of Ethics and the Code of Conduct and Ethics are available on the Company's website at www.johanholdings.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has formalised a Whistleblowing Policy which enables employees and stakeholders to report genuine concerns about any improper conduct. Any concern should be raised with immediate superior or reported to the Group Chairman & Chief Executive Officer. The findings on investigation performed on complaints received together with the proposed course of action will be reviewed by the Audit Committee for a decision. There has been no incident or report of any improper conduct lodged during the financial year under review.</p> <p>The Whistleblowing Policy is available on the Company’s website at www.johanholdings.com.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board under the leadership and direction of the Chief Executive Chairman is responsible for driving sustainability in the Group, with direct oversight over Economic, Environmental, Social and Governance ("EESG") material sustainability issues. The Board integrate EESG factors when exercising its duties, including the development and implementation of the Group's strategies and business plans, as well as oversight on the risk management.</p> <p>The Head of the respective operating subsidiaries review all sustainability commitments, including setting important initiatives and sustainability growth plans. They periodically evaluate the Group's sustainability performance and findings are reported to the Chief Executive Chairman. They also ensure that sustainability efforts are incorporated across 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

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

Practice 4.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board believe that engagement, consultation, and seeking regular feedback are key steps in driving sustainability at the Company. The collective views, opinions and insight from the stakeholders help the Board to make informed decision, while aligning the stakeholders' expectation with the Company sustainability priorities and business approach.</p> <p>The Company's adoption of a Sustainability Policy in June 2022 demonstrates its commitment to embody sustainable business practices throughout the Group's operations. The Sustainability Policy is available on the Company's website at www.johanholdings.com.</p> <p>Details pertaining to the stakeholders' engagement and communication are available in the Sustainability Statement in the Company's Annual Report 2023.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board recognises the importance of understanding and knowledge of sustainability issues that are relevant to the Group and its business to discharge its role effectively. Sustainability-related issues and risks are identified, reviewed and assessed in the risk identification and assessment process. Key risks identified will be updated in the risk registers and reported to the Risk Management Committee and the Board. The Risk Management Committee and Board deliberated initiatives undertaken by the Management and address the business sustainability risks and opportunities.</p> <p>The Board members keep themselves apprised with contemporaneous and relevant sustainability developments by way of formal training including webinars, presentation of updates, structured reading and discussion. The Board is committed to staying abreast with sustainability issues associated with the ever-evolving operating environment, which are relevant to the Group and its business.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Applied
Explanation on application of the practice	:	<p>For the financial year ended 31 July 2023, the annual Board Effectiveness Evaluation had also incorporated relevant sustainability-related questionnaire. The Nominating Committee was satisfied that the Board members have sufficient understanding and knowledge of the sustainability issues that are relevant to the Group and its business and the Board had performed its duties effectively in considering sustainability issues during its deliberations on the Group's strategies and business plans.</p> <p>The KPIs and key achievements set for Senior Management also take into consideration sustainability risks and opportunities, where applicable.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Nominating Committee conducted an annual Board Effectiveness Evaluation and had reviewed amongst others, the overall composition and size of the Board as well as contribution of each Director and the required mix of skills, knowledge and experience of Board members.</p> <p>The Nominating Committee reviewed and recommended to the Board on re-election of the Directors who are due for retirement at the forthcoming annual general meeting ("AGM"). Based on the review and evaluation on the performance and contribution of the retiring Directors, namely Puan Sri Datin Tan Swee Bee, Mr Tan Poh Meng and Mr Mahathir Bin Mahzan, who have offered themselves for re-election, the Nominating Committee had recommended to the Board for the re-election of the aforesaid Directors. The Board had also collectively agreed to recommend Puan Sri Datin Tan Swee Bee, Mr Tan Poh Meng and Mr Mahathir Bin Mahzan to be re-elected as Directors of the Company, subject to shareholders' approval at the forthcoming AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board currently comprises two (2) Independent Non-Executive Directors out of the five (5) members.	
		Nevertheless, the Board comprises a majority of Non-Executive Directors who are not involve in the operations of the Company. All the Non-Executive Directors have a varied background and experience to provide diverse perspective and insights to the Board deliberation. The Board is satisfied with the current Board composition and is of the view that the composition fairly reflects the interest of the minority shareholders of the Company.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	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 5.3

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

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

Application	:	Applied	
Explanation on application of the practice	:	Currently, none of the Independent Directors of the Company have served beyond the cumulative term of nine (9) years from their date of appointment to the Board.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 - Step Up

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

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

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is committed to ensure that the Directors of the Company possess a broad balance of skills, knowledge, experience, background, independence and diversity. The Nominating Committee is responsible to recommend to the Board for the appointment of new Directors and it endeavour to ensure that gender, ethnicity and age diversity will be taken into account in nominating quality candidates to be appointed to the Board. The Nominating Committee also considers whether the potential candidates able to devote adequate time and commitment to fulfil their responsibilities effectively.</p> <p>The Board had adopted a Fit and Proper Policy to serve as a guide to the Nominating Committee and the Board in their review and assessment of persons that are to be appointed onto the board as well as Directors who are seeking for re-election to ensure each of the Directors has the character, experience, integrity, competence and time to effectively discharge his role as a director of the Company and its subsidiaries.</p> <p>Selection of senior management also based on objective criteria and merit, with due regard to diversity in skills, experience, age, cultural background and gender.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Nominating Committee is responsible to identify and recommend suitable candidates to be appointed to the Board. The Nominating Committee is guided by the Directors' Fit and Proper Policy of the Company to assess and determine the suitability of the candidate to be appointed to the Board to ensure he has the character, experience, integrity, competence and time to effectively discharge his role as a director of the Company.</p> <p>The procedures on appointing a new director is summarised as follows:</p> <ul style="list-style-type: none">(i) Candidate is proposed to the Nominating Committee based on the recommendation of the Directors, Senior Management staff, major shareholders, third-party referrals, from executive searches or other independent sources.(ii) The Nominating Committee will consider and evaluate the candidate before recommending the candidate for the Board's consideration. In evaluating the suitability of candidates to be appointed to the Board, the Nominating Committee considers the following criteria of the candidate:<ul style="list-style-type: none">a) character and integrityb) experience and competencec) time and commitment <p>The Nominating Committee also considers the good and right mix of skill and experience of Directors to achieve a well-balanced Board and takes into consideration the gender, age, ethnicity and race diversity in the Board.</p>

	<p>(iii) Recommendation is made by the Nominating Committee to the Board for approval upon evaluation of the candidate's suitability.</p> <p>(iv) The Board deliberates and decides on the proposed new appointment.</p> <p>On 16 January 2023, the Board appointed Mr Tan Poh Meng and Mr Mahathir Bin Mahzan as the new Independent Non-Executive Directors to fill the vacancy arising from the retirement of Tan Sri Dato' Seri Dr Ting Chew Peh and Mr Ooi Teng Chew, at the conclusion of the last Annual General Meeting held on 11 January 2023. Mr Tan Poh Meng and Mr Mahathir Bin Mahzan were recommended by a senior management staff. The Nominating Committee interviewed Mr Tan Poh Meng and Mr Mahathir Bin Mahzan at a meeting to know about and to have understanding on their background, work experience and capabilities as well as their demeanor, personality and attitude. The Nominating Committee also reviewed the Fit and Proper Declaration executed by Mr Tan Poh Meng and Mr Mahathir Bin Mahzan to consider whether they fulfilled the requisite criteria to be appointed as Director of the Company. Based on the review, the Nominating Committee was of the view that Mr Tan Poh Meng and Mr Mahathir Bin Mahzan has the required and desired character, experience, integrity, competence and time to effectively discharge their role as Independent Non-Executive Directors of the Company. The Nominating Committee had recommended to the Board for the proposed appointment of Mr Tan Poh Meng and Mr Mahathir Bin Mahzan. The proposal was duly approved by the Board. Although the Board did not utilise independent sources to identify the new Board members, the Board decision on the proposed appointments were made objectively in the best interests of the Company after considered the suitability of Mr Tan Poh Meng and Mr Mahathir Bin Mahzan in term of their knowledge, expertise and potential to contribute to the Board.</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>

Timeframe	:		
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Intended Outcome

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

Practice 5.7

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board, through the Nominating Committee, had reviewed and assessed the performance and contribution of the retiring Directors. The Board had recommended for the shareholders' approval for the re-election of the retiring Directors at the forthcoming Annual General Meeting.</p> <p>The Company had provided the relevant information pertaining to the re-election of Directors in the notes accompanying the Notice of Annual General Meeting. The profile of the retiring Directors who are seeking for re-election are set out in the Annual Report 2023 of the Company.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the Nominating Committee, Mr Tan Poh Meng, is an Independent Director.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board currently comprises one woman Director, which represents 20% of the Board composition of 5 members.	
		The Board recognises that MCCG had recommended for listed issuers to have at least 30% women directors. Any appointment of Director on the Board will be made after objective and thorough assessment by the Nominating Committee of the appropriateness of the candidate's skills and experience to the position as well as the Company's requirement at that point of time. The Board will also ensure the Board comprises a good mix of skill and experience of Directors with due regard for diversity in term of skills, experience, age, cultural, background and gender.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	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.

Application	:	Applied	
Explanation on application of the practice	:	Diversity and Inclusion Policy of the Company sets out, amongst others, strategies and measure to promote gender diversity in the Board and senior management appointment process. The Diversity and Inclusion Policy is available on the Company's website at www.johanholdings.com . On the Board gender diversity, please refer to the Corporate Governance Overview Statement of the Annual Report 2023.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: For the financial year ended 31 July 2023, an annual evaluation was undertaken to assess the performance and effectiveness of the Board, each Board Committee and each individual Director. The process was internally facilitated and conducted through circulation of evaluation forms, which included self-evaluation and peer evaluation, to the Board members. The duly completed evaluation forms were collated and the results were tabled to the Nominating Committee. Based on the results, the Nominating Committee satisfied that the Board and Board Committees are effective as a whole, considering the required mix of skills, size and composition, experience, core competencies and other qualities. The Nominating Committee was also satisfied that each of its Directors has the character, experience, integrity, competence and time to effectively discharge their respective role. The results and the findings from the Nominating Committee were reported to the Board
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has adopted a Remuneration Policy to attract, motivate, retain and reward Directors and senior management of Johan Group through a competitive remuneration package, and to ensure the remuneration is commensurate with the relevant experience, expertise, reflects the level of responsibilities undertaken, and contribution made by the Directors and senior management.</p> <p>The remuneration components of Executive Directors and Senior Management consist of basic salary, performance based bonus, benefits-in-kind and other incentives (where applicable). The remuneration package of Executive Directors and senior management is structured so as to link reward to individual and corporate performance. The remuneration packages of the Executive Directors and Senior Management are reviewed by the Remuneration Committee annually. The Executive Directors shall not participate in the decision of his own remuneration</p> <p>Non-Executive Directors receive remuneration in the form of Directors' fees and meeting allowances. Additional meeting allowance is payable for Chairman of the Audit Committee to reflect the complexity and amount of preparation required in attending the meeting. The level of remuneration for Non-Executive Directors shall reflect the experience and level of responsibilities undertaken by the Non-Executive Directors concerned. The remuneration of the Non-Executive Directors shall not be based on commission or percentage of profits or turnover. The remuneration packages of the Non-Executive Directors are reviewed by the Remuneration Committee annually. The determination of fees and benefits payable to Non-Executive Directors will be a matter for the Board as a whole, and a Director shall not participate in the decision on their own remuneration packages. The Board will then recommend the payment of the Directors' fees and other benefits payable to Non-</p>

	<p>Executive Directors to the Shareholders for approval at each Annual General Meeting of the Company in accordance with Section 230(1) of the Companies Act, 2016.</p> <p>The Remuneration Policy is available on the Company's website at www.johanholdings.com.</p>	
Explanation for departure		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure		
Timeframe		

Intended Outcome

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

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

Practice 7.2

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

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

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

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The details of the remuneration received by the Directors for the financial year ended 31 July 2023 are set out in table at the following page.</p> <p>At the Ninety-Seventh Annual General Meeting of the Company held on 11 January 2023, shareholders have approved the Directors' fees and benefits up to an amount of RM169,000.00 to the Non-Executive Directors for the financial year ended 31 July 2023.</p>

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Tan Sri Dato' Tan Kay Hock	Executive Director	0	0	990	0	107	0	1,097	0	0	1,320	0	107	0	1,427
2	Puan Sri Datin Tan Swee Bee	Executive Director	0	0	630	0	0	0	630	0	0	840	0	0	0	840
3	Dato' Ahmad Khairummuzammil Bin Mohd Yusoff	Non-Executive Non-Independent Director	50	10	0	0	0	0	60	50	10	0	0	0	0	60
4	Tan Poh Meng (appointed on 16 January 2023)	Independent Director	27	2	0	0	0	0	29	27	2	0	0	0	0	29
5	Mahathir Bin Mahzan (appointed on 16 January 2023)	Independent Director	27	3	0	0	0	0	30	27	3	0	0	0	0	30
6	Tan Sri Dato' Seri Dr. Ting Chew Peh (retired on 11 January 2023)	Non-Executive Non-Independent Director	22	2	0	0	0	0	24	22	2	0	0	0	0	24
7	Ooi Teng Chew (retired on 11 January 2023)	Independent Director	22	2	0	0	0	0	24	22	2	0	0	0	0	24
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.

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the Audit Committee, Mr Mahathir Bin Mahzan, who is an Independent Non-Executive Director, is not the Chairman of the Board.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit Committee comprises 3 members, all of whom are Non-Executive Directors and with a majority of Independent Directors.</p> <p>The Terms of Reference of the Audit Committee states that a former partner of the external audit firm of the Company shall not be eligible to be considered or appointed as a member of the Audit Committee until the expiry of a cooling-off period of at least three (3) years from the date he/she ceases to be the audit partner. This is to safeguard the independence of the audit by avoiding potential threats that may arise when a former key audit partner is in a position to exert influence over the audit and preparation of the Company's financial statements.</p> <p>None of the members of the Audit Committee were former key audit partner of Baker Tilly Monteiro Heng PLT, the External Auditors of the Company within the cooling-off period of 3 years.</p> <p>The Terms of Reference of the Audit Committee are available on the Company's website at www.johanholdings.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit Committee conducts annual assessment on the performance, suitability, objectivity and independence of the external auditors based on the following key areas:-</p> <ul style="list-style-type: none">(i) Competency and quality of service(ii) sufficiency of resources(iii) communication and interaction(iv) independence, objectivity and professional scepticism <p>The Audit Committee has evaluated the performance, suitability and independence of Baker Tilly Monteiro Heng PLT, the External Auditor of the Company, for the financial year ended 31 July 2023. The Audit Committee assessed the engagement teams' calibre, performance, experience, global network resources as well as ability to perform the scope of work within the Company's predetermined timeline. The Audit Committee also took into account the openness in communication and interaction with the lead audit engagement partner and engagement team through discussions at private meetings, which demonstrated their independence, objectivity and professionalism.</p> <p>The Audit Committee was satisfied with the suitability of Baker Tilly Monteiro Heng PLT based on the quality of services and sufficiency of resources they provided to the Group, in terms of the firm and the professional staff assigned to the audit.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The members of the Audit Committee have the necessary skills to discharge its duties and are financially literate. The profiles of the members are provided in the Profile of Directors of the Annual Report. Mr Mahathir Bin Mahzan, the Chairman of the Audit Committee is a Chartered Accountant and a Fellow member of Chartered Accountants Ireland (previously known as the Institute of Chartered Accountants in Ireland), the Malaysian Institute of Accountants (MIA) and also the ASEAN Chartered Professional Accountants (ASEAN CPA).</p> <p>The Audit Committee members attended various talks, seminars, workshops and in-house conferences to update and enhance their skills and knowledge, and also to keep themselves abreast of relevant regulatory and corporate governance updates and developments in law, Listing Requirements, accounting standards, best practices and etc. During the financial year, Baker Tilly Monteiro Heng PLT, the External Auditors, also updated the Audit Committee on the changes and new accounting and auditing standards that may have impact to the Company at the Audit Committee Meeting.</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	:		
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Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is committed to maintain a sound, effective and efficient internal control system and risk management framework that provide reasonable assurance to safeguard the Group's assets and shareholders' interests. The Company's Risk Management Policy sets out the Group's underlying approach to risk management and the roles and responsibilities of the Board, Head Office Risk Management Committee and Risk Management Committee of operating subsidiaries comprises of the Key Management of operating subsidiaries. It also outlines key aspects of the risk management process and identifies the main reporting procedures as well as the annual review process of the effectiveness of the framework.</p> <p>Further details on the Group's risk management and internal control are provided under the Statement on Risk Management and Internal Control in the Company's Annual Report 2023.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group has a well-defined and effective risk management framework in alignment with ISO 31000. To ensure the adequacy and effectiveness of the system of risk management and internal controls, the framework and policies are regularly reviewed by the Board in response to changes in the regulatory and business environment.</p> <p>The Board, via the Audit Committee, reviews the Group's risk profile and ensure that the principal risks identified, evaluated and reported by Management are managed within the Group's risk appetite and risk tolerance. Risk profiles are submitted by the Risk Management Committee of operating subsidiaries on a half year basis to be reviewed by the Head Office Risk Management Committee. The risk profiles are also presented to the Audit Committee periodically. Any major changes to risks or emerging significant risk of the business units in the Group together with the appropriate actions and/or strategies to be taken, will be brought to the attention of the Audit Committee.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.3 - 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 11.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Group has an independent internal audit function which is a separate function from other operating units in the Group. The Head of the internal audit department reports directly to the Audit Committee. The internal audit department is accorded with appropriate authority to facilitate the discharge of its duties. The internal audit department has access to all relevant records and information within the Group to carry out its audit review in accordance with the approved internal audit plan. Internal audit findings of operating units of the Group and investigations carried out by internal audit department are tabled at the Audit Committee Meeting quarterly.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>Ms. Loh Bee Lay is tasked to oversee the Internal Audit function of the Group’s operations. Ms Loh has a Master Degree in Business Administration and is currently pursuing further studies with Institute of Internal Auditor.</p> <p>Currently, Ms Loh is the only internal audit personnel in the internal audit department. She has more than 19 years of internal audit experience and are equipped with the relevant skills, experience and qualifications to discharge her roles effectively. Ms Loh is free from any relationship or conflict of interest, which could impair her objectivity and independence.</p> <p>The internal audit function is guided by its Internal Audit Charter which defines the authority, duties and responsibilities of the internal audit function. The internal audit department adopts a risk-based approach to plan and conduct their audit for the Group.</p> <p>Further details on the internal audit function is available under the Audit Committee Report in the Company’s Annual Report 2023.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Board has established Corporate Disclosure Policies and Procedures in relation to provision of accurate, timely, consistent and fair disclosure of corporate information to enable informed and orderly market decision by investors.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	The notice for the forthcoming Annual General Meeting is given to shareholders on 30 November 2023, more than 28 days before the meeting to be held on 18 January 2024.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.2

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

Application	:	Applied	
Explanation on application of the practice	:	All Directors attended the Company's Ninety-Seventh Annual General Meeting held on 11 January 2023 which was conducted virtually.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company had conducted its Ninety-Seventh Annual General Meeting on 11 January 2023 as a virtual meeting through Online Meeting Platform via the Share Registrar’s website at www.johanmanagement.com.my in Malaysia.</p> <p>Propoll Solutions Sdn Bhd was appointed as the Poll Administrator for the Annual General Meeting to facilitate the live streaming and the remote participation and voting (“RPV”) facilities. The Poll Administrator had put in place information security measures to prevent cyber threats and data breaches.</p> <p>The Administrative Guide of the Meeting which set out all the details of the virtual Annual General Meeting was published on the Company’s corporate website to facilitate the shareholders for registering themselves to participate in the virtual Annual General Meeting. The RPV facilities enable the shareholders to exercise their right as members of the Company to participate and vote remotely at the Annual General Meeting.</p> <p>Shareholders who were unable to attend and vote at the Annual General Meeting were encouraged to submit the proxy forms to appoint their representatives or Chairman of the Meeting to participate in the Annual General Meeting, which had allowed them to vote in absence.</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

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: The Chairman presented his Chairman Address during the Ninety-Seventh Annual General Meeting to, amongst others, brief on the Group's performance and update on the important progress on Group's operation and corporate proposals. At the virtual Annual General Meeting, Question-and-Answer session was allocated to shareholders to pose questions to the Board and Management. Shareholders were also invited to submit their questions prior to the Meeting via the Share Registrar's website at www.johanmanagement.com.my . Shareholders were also allowed to raised question during the Meeting. All those questions received prior to the meetings together with the reply from the Board and Management were disclosed via slide presentation at the Meeting during the Question-and-Answer session. The minutes of the Annual General Meeting including the questions raised together with the replies thereto are made 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

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

Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application	: Applied
Explanation on application of the practice	: The Company had conducted its Ninety-Seventh Annual General Meeting on 11 January 2023 as virtual meeting, which is in compliance with the Guidance on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission. The Meeting was conducted through Zoom Meeting Application via our Share Registrar's website and facilitated by our poll administrator, namely Propoll Solutions Sdn Bhd. The Meeting was conducted smoothly and successfully. In view thereof, the Board decided to use the same meeting platform and poll administrator for its forthcoming AGM to be held on 18 January 2024. At the virtual Meeting, shareholders are allowed to submit their questions via the query box and to cast their votes through the online meeting platform using the remote participation and voting facilities in real time. The Chairman will read out all the questions received during the Meeting, except to those similar and duplicated questions, and provided the replies thereto during the Question-and-Answer session at the live-streamed Meeting.
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	:		
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Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The Minutes of the Ninety-Seventh Annual General Meeting held on 11 January 2023 was published on our 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	:

**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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