

# Corporate Governance Overview Statement

The Board of Directors (“**the Board**”) of JF Technology Berhad (“**the Company**”) acknowledges the importance of achieving a high standard of corporate governance throughout the Company and its subsidiaries (“**Group**”) to protect and enhance long-term shareholders’ value and all stakeholders’ interests. With the principles and recommendations as set out in the Malaysian Code on Corporate Governance (“**MCCG**”), the Board affirms their commitments in ensuring a sound framework of best corporate governance practices is in place by managing the affairs of the Group with transparency, integrity and accountability.

This Corporate Governance Overview Statement (“**Statement**”) provides an overview of how the Group applied the three (3) key principles set out in the MCCG throughout the financial year under review:-

- (a) Principle A: Board leadership and effectiveness;
- (b) Principle B: Effective audit and risk management; and
- (c) Principle C: Integrity in corporate reporting and meaningful relationship with stakeholders.

This Statement also serves as a compliance with Rule 15.25 of Bursa Malaysia Securities Berhad (“**Bursa Malaysia Securities**”) ACE Market Listing Requirements (“**ACE LR**”) and should be read together with the Corporate Governance Report (“**CG Report**”) of the Company that provides detailed application for each practice as set out in the MCCG. The CG Report can be downloaded from the Company’s website at <https://www.jf-technology.com/> or through the announcement published on the website of Bursa Malaysia Securities.

## **PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS**

### **1. BOARD RESPONSIBILITIES**

#### **Clear Functions of the Board and Management**

The Board takes full responsibility for the overall performance of the Group by setting the strategic directions and objectives, formulating the policies and executing the key strategic action plans. The Board regularly review the Group’s business operations and maintains full and effective control over the management of the Group.

The duties and responsibilities of the Board include determining the Group’s overall strategic plans and performing periodic reviews of businesses and financial performance, as well as adopting practical risk management and internal controls to implement a strong framework of internal controls of the Company.

The Board has also delegated certain responsibilities to other Board Committees, which operate within clearly defined terms of reference to discharge its duties and responsibilities. The standing Board Committees inclusive of Audit Committee, Nomination Committee and Remuneration Committee. The Board receives reports at its meetings from the Chairman of each Board Committee on current activities and it is the general policy of the Company that all major decisions be considered by the Board as a whole.

#### **Clear Roles and Responsibilities**

The Board reviewed the sustainability, effectiveness and implementation of the strategic plans for the financial year under review and provided guidance and input to Management. In order to ensure the effective discharge of its functions and duties, the principal responsibilities of the Board include the following:-

- review and adopt strategic business continuity plan for the Company and the Group;
- oversee and monitor the conduct of the Group’s businesses and financial performance;
- review and adopt budgets and financial results of the Company and the Group, monitor compliance with applicable accounting standards and the integrity and adequacy of financial information disclosures;
- identify principal risks and ensure the implementation of appropriate systems to manage these risks;
- review the adequacy and integrity of the Company’s and the Group’s internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines; and
- ensure a competent management by establishing policies for strengthening the performance of the Group with a view to proactively build the business through innovation, initiative, technology, new products and the development of its new business market.

## Corporate Governance Overview Statement (cont'd)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### 1. BOARD RESPONSIBILITIES (CONT'D)

##### Strategies to Promote Sustainability

The Board views the commitment to sustainability and Environmental, Social and Governance performance as part of its broader responsibility to clients, shareholders and the communities in which it operates.

The Group recognises the importance of its corporate social responsibilities whilst pursuing its corporate goals. The Group continues to invest in its staff through continuous training to develop in-house capability and also a united workforce that assists in the Group realising its goals and objectives.

The Company's activities on corporate social responsibilities for the financial year under review are disclosed in a separate section of the Annual Report.

##### Chairman, Managing Director and Chief Executive Officer

The roles of the Chairman, Managing Director and Chief Executive Officer of the Company are held by three (3) different individuals, namely Datuk Phang Ah Tong, Dato' Foong Wei Kuong and Mr. Dillon A/L Atma Singh respectively, where their responsibilities are segregated and clearly defined to ensure that there is an appropriate balance of power and authority so that no single individual having the unfettered power of decision-making.

The Chairman provides leadership and manages the interface between the Board and Management and also ensures active participation from the Board for decision-making whereas the Managing Director and Chief Executive Officer are involved in the day-to-day management of the Group and are primarily responsible for contributing strategies and insights to enable the Group to achieve its goals and objectives efficiently.

##### Company Secretaries

The Company Secretaries of the Company are experienced and qualified to act as Company Secretaries pursuant to Section 235 of the Companies Act 2016. The Company Secretaries play an important role in ensuring adherence to the Board's policies and procedures from time to time and to work closely with Management to facilitate and ensure timely communication and information flow within the Board or Board Committees.

The Board has unrestricted access to the advice and services of the Company Secretaries who are experienced, competent and knowledgeable on the laws and regulations, as well as directives issued by the regulatory authorities. The Company Secretaries provide guidance to the Board on the Directors' obligations arising from the rules and regulations including the MCCG and Bursa Malaysia Securities ACE LR.

The Directors are also empowered to seek independent professional advice from external consultants as they may require, at the expense of the Company, in order to make well-informed decisions.

##### Access to Information and Advice

The Board is provided with appropriate information and comprehensive Board papers on a timely basis prior to the Board meetings to enable the Directors to discharge their duties and responsibilities competently and in a well-informed manner. Management is invited to attend the Board and Board Committees meetings and to brief and provide explanations to the Directors and Board Committees members on the operations of the Group.

The Board recognises the importance of reviewing and adopting a strategic plan and overseeing the conduct of the businesses to ensure that the businesses are being properly managed. Presently, the performance of the Group is reviewed by the Board in consideration of the quarterly financial results.

The proceedings and resolutions passed at each Board meeting are minuted and kept in the statutory minutes book at the registered office of the Company.

## Corporate Governance Overview Statement (cont'd)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### 1. BOARD RESPONSIBILITIES (CONT'D)

##### Demarcation of Responsibilities

##### (a) Board Charter

The Board has formalised and adopted a Board Charter, which sets out the roles, functions, composition, operations and processes of the Board. The Board Charter provides guidance to the Board in relation to the Board's roles, duties, responsibilities and authorities which are in line with the principles of good corporate governance. The Board Charter acts as a source of reference for Board members and senior management, and the same is accessible to the public on the Company's website at <https://www.jf-technology.com/>.

##### (b) Code of Ethics and Conduct

The Board is aware of the need to establish a corporate culture that would foster common goal of achieving business profitability, whilst cultivating ethical business conducts. The Board has adopted the Code of Ethics and Conduct which is in line and consistent with its stand under the Corporate Vision, Mission, Core Pillars and Core Values. A copy of the Code of Ethics and Conduct is published in the Company's website at <https://www.jf-technology.com/>.

##### (c) Whistleblowing Policy

A Whistleblowing Policy has been established to further enhance the Group's commitment in upholding and achieving integrity, transparency and accountability in conducting its business. The Whistleblowing Policy serves the purpose of providing an avenue to all employees and members of the public to raise concern, report or disclose any improper behaviour and conduct, miscarriage of justice, damage to the environment or any act and action that could materially affects the reputation of the Group as well as the interests of the stakeholders. The Whistleblowing Policy is available on the Company's website at <https://www.jf-technology.com/>.

##### (d) Anti-Bribery and Anti-Corruption Policy

Following the amendments to Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009 and Rule 15.28 of Bursa Malaysia Securities ACE LR that took effect from 1 June 2020, the Company had established its Anti-Bribery and Anti-Corruption Policy that contains policies and guidelines relating to standards and ethics that all employees are expected to adhere to in the course of their work and to the public at large, as part of the Group's commitment in combating bribery and corruption. A copy of the Anti-Bribery and Anti-Corruption Policy is published in the Company's website at <https://www.jf-technology.com/>.

#### 2. BOARD COMPOSITION

##### Composition and Board Balance

The Board currently comprises four (4) Independent Non-Executive Directors and three (3) Executive Directors.

The Independent Non-Executive Directors play a pivotal role in corporate accountability, which is reflected in their membership of the various Board Committees and their attendance of meetings as detailed below under Board meetings. The significant contributions of the Independent Non-Executive Directors in the decision-making processes are evidenced in their participation as members of the various Board Committees. In addition, the Independent Non-Executive Directors ensure that matters and issues brought up to the Board are fully discussed and examined, considering the stakeholders' interests in the Group. The profiles of the members of the Board, as set out in this Annual Report, demonstrate the complement of skills and experience that the Directors value add on issues of strategy, performance, control, resource allocation and integrity.

## Corporate Governance Overview Statement (cont'd)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### 2. BOARD COMPOSITION (CONT'D)

##### Annual Assessment of Independence of Directors

The Board adopts the concept of independence in tandem with the definition of Independent Non-Executive Director in Rule 1.01 of Bursa Malaysia Securities ACE LR through the assistance of the Nomination Committee. The assessment of the independence of each of its Independent Non-Executive Directors is undertaken annually according to a set of criteria as prescribed by Bursa Malaysia Securities ACE LR.

The Board considers that its Independent Non-Executive Directors provide an objective and independent views on various issues dealt with at the Board and Board Committees level. All Non-Executive Directors are independent of management and free from any relationship. The Board is of the view that the current composition of Independent Non-Executive Directors fairly reflects the interest of minority shareholders in the Company through the Board representation.

The Board is satisfied with the level of independence demonstrated by the Independent Non-Executive Directors and their ability to act in the best interests of the Company.

##### Tenure of Independent Non-Executive Directors

The Board take cognisance MCCG recommends that the tenure an Independent Non-Executive Director should not exceed a term limit of nine (9) years. Upon completion of the nine (9) years term, an Independent Non-Executive Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Non-Executive Director or seek shareholders' approval in the event it retains as an Independent Non-Executive Directors.

The Company does not have a policy which limits the tenure of its Independent Non-Executive Directors to nine (9) years. Nevertheless, the Nomination Committee had performed an annual review on the independency of the Independent Non-Executive Directors by adopting the concept of independence in tandem with the definition of Independent Non-Executive Director in Rule 1.01 of Bursa Malaysia Securities ACE LR.

At the time of writing this Statement, the tenure of the Independent Non-Executive Directors, namely Dato' Philip Chan Hon Keong, Mr. Koay Kah Ee and Mr. Lew Jin Aun have exceeded the term limit of nine (9) years. During their tenure, they have continued to exercise their independence and carried out their professional duties in the best interests of the Company and shareholders.

##### Shareholders' Approval for the Retention of Independent Non-Executive Directors

Both the Nomination Committee and the Board have assessed the independence of Dato' Philip Chan Hon Keong, Mr. Koay Kah Ee and Mr. Lew Jin Aun and were satisfied with the skills, contribution and independent judgement they bring to the Board in facilitating the decision-making processes of the Company. The Board is of the view that there are significant advantages to be gained from long-serving Directors who not only possess tremendous insight but also in-depth knowledge of the Group's businesses and affairs. In view thereof, the Board recommends and supports their retention as Independent Non-Executive Directors of the Company which will be tabled for shareholders' approval at the forthcoming Annual General Meeting ("AGM") of the Company.

Key justifications for retaining them as Independent Non-Executive Directors are as follows:-

- (i) Dato' Philip Chan Hon Keong, Mr. Koay Kah Ee and Mr. Lew Jin Aun have met the independence guidelines as set out in Rule 1.01 of Bursa Malaysia Securities ACE LR;
- (ii) They did not have any conflict of interests with the Company and have not been entering nor is expected to enter into contract(s), especially material contract(s) with the Company and/or its subsidiary companies; and
- (iii) They are familiar with the Group's activities and corporate history and have been providing invaluable contributions to the Board in their roles as Independent Non-Executive Directors.

## Corporate Governance Overview Statement (cont'd)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### 2. BOARD COMPOSITION (CONT'D)

##### Board Diversity

The Board acknowledges the importance of Board diversity, including gender, ethnicity, and age and business experience, to the effective functioning of the Board.

The Board has not set a gender diversity target as of the reporting period. While it is important to promote such diversity, the normal selection criteria of a Director are based on effective blend of competencies, skills, extensive experience and knowledge in areas identified by the Board should remain a priority so as not to compromise on effectiveness in carrying out the Board's functions and duties. Hence, the Board is committed in ensuring that its composition not only reflects the diversity as recommended by the MCCG, as best as it can, but also has the right mix of skills and balance to contribute to the achievement of the Company's goal and mission.

As of the date of this Statement, one (1) out of seven (7) of the Board members is a female Director.

##### Nomination Committee

The Nomination Committee comprises exclusively of Independent Non-Executive Directors of the Company. The Nomination Committee is established and maintained to ensure that there is a formal and transparent procedure for the appointment of new Directors to the Board and new members to the Board Committees and to assess the performance of the Directors, Board, Board Committees and members of the Board Committees of the Company on an on-going basis. The current members of the Nomination Committee are as follows:-

Name of Directors	Designation	No. of meetings attended/ held during the financial year under review
Datuk Phang Ah Tong	Chairman	1/1
Mr. Koay Kah Ee	Member	1/1
Dato' Philip Chan Hon Keong	Member	1/1
Mr. Lew Jin Aun	Member	1/1

During the financial year under review, one (1) meeting was held and attended by all members. The main activities carried out by the Nomination Committee during the financial year under review are as follows:-

- Reviewed and assessed the effectiveness and composition of the Board and Board Committees and contribution of each individual Director of the Company;
- Reviewed and assessed the contribution and performance of the Audit Committee and each individual Audit Committee member;
- Reviewed and assessed the independence of the Independent Non-Executive Directors;
- Reviewed the Directors who were due for re-election at the Company's AGM to determine whether or not to recommend for their re-election; and
- Reviewed and assessed the tenure of the Independent Non-Executive Directors who have reached and exceeded a cumulative term of nine (9) years and to recommend the retention of the Independent Non-Executive Directors of the Company at the Company's AGM in accordance with the MCCG.

##### (a) Appointment to the Board

In order to comply with good practice for the appointment of new Directors through a formal and transparent procedure, the Nomination Committee, which comprises exclusively of Independent Non-Executive Directors, is responsible for making recommendation relating to any new appointment to the Board. Any new nomination received is presented to the full Board for assessment and approval.

## Corporate Governance Overview Statement (cont'd)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### 2. BOARD COMPOSITION (CONT'D)

##### Nomination Committee (cont'd)

##### (a) Appointment to the Board (cont'd)

For appointment of new Directors, the Nomination Committee assesses the suitability of the candidates, taking into consideration of the following:-

- required mixed of skills, knowledge, expertise and experience;
- professionalism;
- integrity;
- competencies;
- time commitment; and
- in the case of candidates for the position of Independent Non-Executive Directors, the Nomination Committee shall evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.

The proposed re-election of existing Directors who are seeking for re-election at the AGM are first considered and evaluated by the Nomination Committee. Upon completion of the evaluation, the Nomination Committee will make recommendation on the proposals to the Board for approval. The Board makes the final decision on the proposed re-election to be presented to the shareholders for approval.

The Board is entitled to the services of the Company Secretaries who ensure that all appointments are properly made, and that all necessary information are obtained from the Directors, both for the internal records and for the purposes of meeting statutory obligations, as well as obligations arising from Bursa Malaysia Securities ACE LR or other regulatory requirements.

##### (b) Re-election of Directors

Re-election of Directors provides an opportunity for shareholders to renew their mandate conferred to the Directors. In this respect, the Company's Constitution provides that all Directors shall retire by rotation once in every three (3) years or at least one-third (1/3) of the Board shall retire from the office but shall be eligible to offer themselves for re-election at the AGM.

This requirement would be adhered to by the Board in every AGM.

Directors who are appointed by the Board are subject to re-election by the shareholders at the AGM held following their appointments.

##### (c) Annual Assessment of the Board and Board Committees

The Directors and Committees are being assessed by the Nomination Committee through the following assessments annually:-

- (i) Effectiveness of the Board as a whole and the Committees of the Board;
- (ii) Contribution and performance of each individual Director;
- (iii) Contribution and performance of the Audit Committee and each individual Audit Committee member; and
- (iv) Independence of Independent Non-Executive Directors.

The outcome of the abovementioned annual assessments is disclosed in the CG Report which is available on the Company's website at <https://www.jf-technology.com/>.

## Corporate Governance Overview Statement (cont'd)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### 2. BOARD COMPOSITION (CONT'D)

##### FOSTER COMMITMENT

##### Time Commitment

The Board requires its members to devote sufficient time to the workings of the Board, to effectively discharge their duties as Directors of the Company, and to use their best endeavours to attend meetings.

##### Board Meetings

During the financial year under review, six (6) Board meetings were held with the presence of the Company Secretary. Details of attendance by the Board members during this financial year are as set out below:-

Name of Directors	No. of meetings attended	% of attendance
Datuk Phang Ah Tong	6/6	100
Dato' Foong Wei Kuong	6/6	100
Datin Wang Mei Ling	6/6	100
Mr. Goh Kok Sing	6/6	100
Mr. Koay Kah Ee	6/6	100
Dato' Philip Chan Hon Keong	6/6	100
Mr. Lew Jin Aun	6/6	100

Based on the above, all Directors have complied with the minimum 50% attendance requirement in respect of Board meetings as stipulated in Bursa Malaysia Securities ACE LR. The Board and Board Committees meetings for each of the financial year are scheduled before the end of the preceding financial year, to allow the Directors and members of the Committees to organise and plan their activities ahead to ensure that they are able to attend all meetings that have been scheduled for the following year.

All Directors have participated fully in the discussions during Board meetings. There is no Board dominance by any individual and the Directors are free to express their views and opinions during the Board meetings. In arriving at Board's decisions, the view of the majority prevails at all times. In the same manner, the Directors are also aware and observe the requirement that they do not participate in the deliberation on matters of which they have a material personal interest, and abstain from voting in such matters.

Proceedings of, and resolutions passed at each Board meeting are documented in the minutes and signed by the Chairman. In between Board meetings, approvals on matters requiring the sanction of the Board are sought by way of circular resolutions enclosing all relevant information to enable the Board to make informed decisions. All circular resolutions approved by the Board will be tabled for notation at the next Board meeting.

The Board also peruse the decisions deliberated by the Board Committees through minutes of the Board Committees. The Chairmen of the Board Committees are responsible to inform the Directors at Board meetings of any salient matters noted by the Board Committees and which requires the Board's notice, approval or direction.

## Corporate Governance Overview Statement (cont'd)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### 2. BOARD COMPOSITION (CONT'D)

##### FOSTER COMMITMENT (CONT'D)

##### Directors' Training

Continuous learning and training are part of the Directors' development programme. The Directors recognise the need to attend trainings to enable them to discharge their duties effectively. All Directors had attended the Mandatory Accreditation Programme. During the financial year under review, some of the trainings and briefings attended by the Directors include:-

Directors	Training attended
<b>Datuk Phang Ah Tong</b>	<ul style="list-style-type: none"> <li>- Implementing amendments in the MCGG</li> <li>- Sustainability Reporting Workshop for Practitioners</li> <li>- BNM-FIDE Forum dialogue on the future of Malaysia's financial sector</li> <li>- JC 3 Flagship Conference 2021 - Finance for change</li> </ul>
<b>Dato' Foong Wei Kuong</b>	<ul style="list-style-type: none"> <li>- Building a sustainable business in the age of innovation</li> <li>- Digital marketing</li> <li>- The leader as coach</li> <li>- Building sustainable teams through culture</li> </ul>
<b>Datin Wang Mei Ling</b>	<ul style="list-style-type: none"> <li>- Forever young</li> <li>- Managing remote work from home employee performance</li> <li>- Transfer pricing</li> </ul>
<b>Mr. Koay Kah Ee</b>	<ul style="list-style-type: none"> <li>- BDO: Malaysian Tax Enforcement Environment 2020</li> <li>- BDO restructuring options and legal updates</li> <li>- Technical briefing, recent developments in Listing Requirements</li> <li>- 2021 budget and tax updates</li> <li>- Lean leadership</li> <li>- Environmental, Social and Governance: What matters to you</li> </ul>
<b>Dato' Philip Chan Hon Keong</b>	<ul style="list-style-type: none"> <li>- Strata Management Act</li> </ul>
<b>Mr. Goh Kok Sing</b>	<ul style="list-style-type: none"> <li>- New medical device regulations under ACT 737</li> <li>- Smart sensing in HVAC systems</li> </ul>
<b>Mr. Lew Jin Aun</b>	<ul style="list-style-type: none"> <li>- Digital workforce of the future</li> <li>- Digital marketing</li> <li>- The leader as coach</li> <li>- Building sustainable teams through culture</li> </ul>

The Board empowers the Directors to determine their own training requirements as they consider necessary to enhance their knowledge as well as understanding of the Group's businesses and operations.

## Corporate Governance Overview Statement (cont'd)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### 3. REMUNERATION

##### Remuneration Committee

The Board had established the Remuneration Committee to review and recommend the appropriate level of remuneration for the Executive Directors. The current members of the Remuneration Committee are as follows:-

Name of Directors	Designation	No. of meetings attended/ held during the financial year under review
Koay Kah Ee	Chairman	1/1
Datuk Phang Ah Tong	Member	1/1
Dato' Philip Chan Hon Keong	Member	1/1
Mr. Lew Jin Aun	Member	1/1

During the financial year under review, one (1) meeting was held and attended by all members. The main activities carried out by the Remuneration Committee during the financial year under review are as follows:-

- Reviewed the remuneration packages for the Managing Director and Executive Directors for the financial year ended 30 June 2021;
- Reviewed the payment of Directors' fees for the financial year ended 30 June 2020; and
- Reviewed the benefits payable to the Non-Executive Directors from 3 December 2020 until the next AGM of the Company to be held in year 2021.

##### Directors' Remuneration

The Remuneration Committee considers the principles recommended by MCCG in determining the Directors' remuneration whereby, the Executive Directors' remuneration is designed to link rewards to the Group's and individual's performance whilst the remuneration of the Non-Executive Directors is determined in accordance with their experience and the level of responsibilities assumed. Additionally, in ensuring that the Directors' remuneration is in line with the market expectation and competition to retain and attract talents in the Group, reference is made to the Directors' remuneration offered by other public listed companies.

The Company has in place a Remuneration Policy for Directors and senior management which sets out the criteria applied in recommending their remuneration packages.

The Executive Directors concerned play no part in the decision on their own remuneration. Likewise, the remuneration of the Independent Non-Executive Directors is a matter for the Board as a whole, with individual Directors abstaining from discussion of their own remuneration.

## Corporate Governance Overview Statement (cont'd)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### 3. REMUNERATION (CONT'D)

##### Directors' Remuneration (cont'd)

The details of remuneration of Directors of the Company comprising remuneration received/receivable from the Company and its subsidiaries during the financial year ended 30 June 2021 are as follows:-

##### (a) Company

Name of Directors	Fees (RM)	Salaries and other emoluments (RM)	Bonuses (RM)	Benefit- in-kind (RM)	Employees Provident Fund ("EPF") and Social Security Organisation ("SOCSO") (RM)	Total (RM)
<b>Non-Executive Directors</b>						
Datuk Phang Ah Tong	40,320	5,500	-	-	-	45,820
Dato' Philip Chan Hon Keong	30,912	5,500	-	-	-	36,412
Koay Kah Ee	37,632	5,500	-	-	-	43,132
Lew Jin Aun	30,912	5,500	-	-	-	36,412
<b>Executive Directors</b>						
Dato' Foong Wei Kuong	-	-	-	-	-	-
Datin Wang Mei Ling	-	-	-	-	-	-
Goh Kok Sing	-	-	-	-	-	-
<b>Total</b>	<b>139,776</b>	<b>22,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>161,776</b>

##### (b) Group

Name of Directors	Fees (RM)	Salaries and other emoluments (RM)	Bonuses (RM)	Benefit- in-kind (RM)	EPF and SOCSO (RM)	Total (RM)
<b>Non-Executive Directors</b>						
Datuk Phang Ah Tong	40,320	5,500	-	-	-	45,820
Dato' Philip Chan Hon Keong	30,912	5,500	-	-	-	36,412
Koay Kah Ee	37,632	5,500	-	-	-	43,132
Lew Jin Aun	30,912	5,500	-	-	-	36,412
<b>Executive Directors</b>						
Dato' Foong Wei Kuong	-	761,405	54,864	26,033	157,471	999,773
Datin Wang Mei Ling	-	517,345	35,382	-	107,671	660,398
Goh Kok Sing	-	126,150	10,500	17,400	20,506	174,556
<b>Total</b>	<b>139,776</b>	<b>1,426,900</b>	<b>100,746</b>	<b>43,433</b>	<b>285,648</b>	<b>1,996,503</b>

##### Remuneration of Top Five (5) Senior Management Staff

The top five (5) senior management's remuneration component including EPF, bonus, SOCSO, allowance, benefit-in-kind and other emoluments in bands of RM50,000.00 are disclosed in the CG Report which is available on the Company's website at <https://www.jf-technology.com/> or through the announcement published on the website of Bursa Malaysia Securities.

## Corporate Governance Overview Statement (cont'd)

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

#### 4. AUDIT COMMITTEE

##### Composition and Activities of Audit Committee

The composition and details of activities carried out by the Audit Committee during the financial year ended 30 June 2021 are set out in the Audit Committee Report of this Annual Report.

All members of the Audit Committee are financially literate and have necessary skills, financial experience and expertise in discharging their duties effectively. Other than overseeing the financial reporting and performance of the Group, the Audit Committee also ensures that there is a proper co-ordination between both of the Internal and External Auditors in order for the Audit Committee to be fully informed on any significant financial matters that may impact the Group.

The qualification and experience of individual Audit Committee members are further disclosed in the Directors' Profile of this Annual Report.

##### Compliance with Applicable Financial Reporting Standards

The Company's Audited Financial Statements are prepared in accordance with the requirements of the applicable approved accounting standards in Malaysia and the provisions of the Companies Act 2016. The Board is responsible to ensure that the shareholders are provided with a balanced evaluation of the Company's financial performance, its position and its future prospects, through the issuance of the annual Audited Financial Statements, quarterly financial reports and corporate announcements on significant developments affecting the Company in accordance with Bursa Malaysia Securities ACE LR.

In this respect:-

- Management presented to the Audit Committee and the Board, details of the Company's financial statements which include amongst others, revenues and expenditures, for review of quarter-to-quarter and year-to-date financial performance; and
- The Audit Committee discharged its function in reviewing the financial statements of the Company with the assistance of the External Auditors, prior to recommendation of the same for the Board's approval and issuance to shareholders.

##### Cooling Period of a Former Key Audit Partner

There is a clause in the terms of reference of the Audit Committee where a cooling-off period of at least two (2) years to be observed before the appointment of a former key audit partner as a member of the Audit Committee.

None of the members of the Board were former key audit partner and the Board has no intention to appoint any former key audit partner as a member of the Board.

##### Assessment of Sustainability and Independence of External Auditors

The Board vide the Audit Committee will conduct annual assessment of the suitability and independence of External Auditors.

The Audit Committee has received assurance from Messrs. Crowe Malaysia PLT, the External Auditors of the Company confirming that the firm, its engagement partner and the audit team's independence, integrity and objectivity complied with the relevant ethical, professional and regulatory requirements.

The Audit Committee is satisfied with Messrs. Crowe Malaysia PLT's technical competency and audit independence during the financial year under review.

## Corporate Governance Overview Statement (cont'd)

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

#### 5. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

##### Sound Framework to Manage Risks

The Board acknowledges its overall responsibility for maintaining a sound system of risk management and internal controls to safeguard shareholders' investment and the Group's assets. However, the Board recognises that such system is structured to manage rather than eliminate the possibility of encountering risk of failure to achieve corporate objectives.

The Statement on Risk Management and Internal Control is set out in the Annual Report providing an overview of the state of the risk management and internal controls within the Group.

##### Internal Audit Function

The outsourced Internal Auditors, namely Tricor Axcelasia Sdn. Bhd. communicate regularly with and report directly to the Audit Committee. The internal audit function conducts regular audit to review and provide assurance to the Audit Committee on the adequacy and effectiveness of the Group's risk management, control and governance processes. The outsourced Internal Auditors' representatives attended two (2) meetings of the Audit Committee for the financial year ended 30 June 2021.

The internal audit review of the Company's operations encompasses an independent assessment of the Company's compliance with its internal controls and makes recommendations for improvement.

The Statement on Risk Management and Internal Control is set out in a separate section of this Annual Report to provide an overview of the state of risk management and internal control within the Group during the financial year under review.

### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

#### 6. COMMUNICATION WITH STAKEHOLDERS

##### Shareholders' Communication and Investor Relations

The Board endeavours to provide timely and accurate disclosure of all material information of the Group to the shareholders and investors. Where practicable, the Board is prepared to enter into a dialogue with institutional shareholders. Currently, information is disseminated through various disclosures and announcements made to Bursa Malaysia Securities. This information is also electronically published at Bursa Malaysia Securities' website at <https://www.bursamalaysia.com>. The Company also maintains its website at <https://www.jf-technology.com/> containing essential corporate information about the Group and its products as well as announcements made to Bursa Malaysia Securities for the access of the general public.

The Company is committed to explore more opportunities to broaden its channel of dissemination of information and engagement with the shareholders.

##### Corporate Disclosure Policy

The Company recognises the value of transparent, consistent and coherent communications with investment community consistent with commercial confidentiality and regulatory considerations.

The Board has yet to formalise a Corporate Disclosure Policy. Nonetheless, the Board is committed in ensuring that communications to the investing public regarding the businesses, operations and financial performance of the Company are accurate, timely, factual, informative, consistent, broadly disseminated and where necessary, information filed with regulators are in accordance with applicable legal and regulatory requirements.

## Corporate Governance Overview Statement (cont'd)

### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

#### 6. COMMUNICATION WITH STAKEHOLDERS (CONT'D)

##### **Leverage on Information Technology for Effective Dissemination of Information**

The Company's website provides all relevant information on the Company and is accessible by the public.

The Company's website is accessible at <https://www.jf-technology.com/>.

#### 7. CONDUCT OF GENERAL MEETINGS

##### **Shareholders' Participation at General Meetings**

The Board views the AGM as the primary forum to communicate with shareholders while the Extraordinary General Meeting ("**EGM**") is held as and when required. Shareholders will receive Annual Report and notice of AGM, which are sent out at least twenty-eight (28) days before the date of the AGM.

In addition, the Notice of AGM/EGM will be advertised in the newspaper and distributed to the shareholders via email for those with valid email addresses whilst hard copies were sent to those without email addresses.

The proceedings of the AGM/EGM include question and answer session in which the Chairman of the AGM/EGM would invite shareholders to raise relevant questions or any other relevant matters that are relevant to the agenda, before putting a resolution to vote. The Chairman of the AGM/EGM ensures that all Directors are able to attend the AGM/EGM and sufficient opportunities are given for shareholders to raise issues relating to the affairs of the Company and that adequate responses are given.

##### **Poll Voting**

Bursa Malaysia Securities ACE LR requires that any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll for all general meetings from 1 July 2016 onwards.

The Company had conducted its voting on all resolutions at the AGM and EGM held on 3 December 2020 by poll.

In view of the Covid-19 pandemic, the Company took precautionary approaches and measures by conducting the Company's Fourteenth AGM and EGM on a virtual basis for the first time. The Company had also leveraged on technology to facilitate shareholders' participation remotely and online remote voting on all resolutions tabled at the AGM and EGM. The administrative details as well as user guide with detailed registration and voting procedures were made available on the Company's website to ensure shareholders are able to participate and exercise their voting rights at the AGM and EGM.

This Corporate Governance Overview Statement is made in accordance with a resolution of the meeting of the Board of Directors on 24 September 2021.