

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0146
COMPANY NAME : JF TECHNOLOGY BERHAD
FINANCIAL YEAR : June 30, 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 of Directors ("Board") takes full responsibility for the overall performance of the Company and its subsidiaries ("Group") by setting the strategic directions and objectives, formulating the policies, and executing the key strategic action plans. The Board regularly reviews the Group's business operations and maintains full and effective control over the management of the Group.</p> <p>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.</p> <p>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. To ensure the effective discharge of its functions and duties, the principal responsibilities of the Board are set out in the Board Charter which includes the following:</p> <ul style="list-style-type: none">• review and adopt a 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 competent management by establishing policies for strengthening the performance of the Group to proactively build the business through innovation, initiative, technology, new products, and the development of its new business market.

The Board has also adopted a schedule of matters specifically reserved for its approval, which include, amongst others, reviewing and approving the following:

- calls for capital contributions from the shareholders;
- any exercise of the Company's lien or forfeiture rights in respect of any shares under the Company's Constitution;
- annual business plan, annual budget, and mid-term and long-term business plan;
- annual report to be submitted to the general meeting;
- any transaction outside the ordinary course of business of the Company;
- long-term agreements covering more than one (1) year;
- incurring of borrowings or the creation of any charge, mortgage, or other security interest or encumbrance over the assets of the Company;
- any change in the accounting policies of the Company other than as required by law or applicable accounting standards in Malaysia;
- commencement or defence or settlement of any litigation or arbitration;
- dividend policy of the Company and any changes to be made to such policy and declaration and payment of any interim dividend;
- recommendation to the general meeting of any dividend payment or other distribution or capitalisation of any profit or reserve of the Company;
- change of Board members, Chairman, Chief Executive Officer, Chief Financial Officer, or Chief Operating Officer including the renewal and extension of the term of appointment;
- sale or disposal of any asset of the Company which is not in the ordinary course of its business; and
- issue of any guarantee or indemnity other than those required in the ordinary course of business 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 comprise the following:

- Audit Committee (“**AC**”);
- Nomination Committee (“**NC**”); and
- Remuneration Committee (“**RC**”).

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

	<p>Company that all major decisions be considered by the Board as a whole.</p> <p>The terms of reference of the Board Committees are available on the Company's website at https://www.jf-technology.com/corporate-governance.</p>	
Explanation for departure		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure		
Timeframe		

Intended Outcome

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

Practice 1.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>Datuk Phang Ah Tong, the Independent Non-Executive Chairman is primarily responsible for the orderly conduct and function of the Board and provides a balance to the influence of the Managing Director.</p> <p>The key roles and responsibilities of the Chairman are set out in the Board Charter as follows:</p> <ul style="list-style-type: none"> • leading the Board in setting the values and standards of the Company and the Group; • maintaining a relationship of trust with and between the Executive Directors and Non-Executive Directors; • ensuring the provision of accurate, timely, and clear information to the Directors; • ensuring the integrity and effectiveness of the governance process of the Board; • ensuring effective communication with shareholders and relevant stakeholders; • arranging regular evaluations of the performance of the Board, the Board Committees, and individual Directors; • facilitating the effective contribution of the Directors; and • setting the agenda for Board meetings and ensuring that all relevant issues are on the agenda, in consultation with the Managing Director and the Company Secretaries. <p>A copy of the Board Charter is available on the Company's website at https://www.jf-technology.com/corporate-governance.</p>	
Explanation for departure	:		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The roles of the Chairman and Managing Director are held by two (2) different individuals namely, Datuk Phang Ah Tong and Dato' Foong Wei Kuong respectively.</p> <p>The responsibilities of the Chairman and Managing Director are segregated and clearly defined to ensure that there is an appropriate balance of power and authority so that no single individual has the unfettered power of decision-making.</p> <p>The roles and responsibilities of the Chairman and Managing Director are clearly defined in the Board Charter.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

The 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 Board is cognisant that having the same individual assuming the positions of Chairman of the Board as well as Chairman or member of Board Committees may give rise to excessive self-review risks. This may have the effect of compromising the impartiality of Board-level deliberations.</p> <p>During the financial year under review, the Independent Non-Executive Chairman of the Company, Datuk Phang Ah Tong resigned as members of the Audit Committee, Nomination Committee and Remuneration Committee on 30 September 2022 and 27 October 2022 respectively.</p> <p>To ensure a proper and smooth handover to the new Independent Non-Executive Directors who were appointed to fill in the vacancies, he was invited to attend these Board Committees meetings as an invitee.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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 two (2) Company Secretaries namely, Ms. Chua Siew Chuan and Ms. Chin Mun Yee who are experienced and qualified to act as Company Secretaries pursuant to Section 235 of the Companies Act 2016.</p> <p>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 guide the Board on the Directors' obligations arising from the rules and regulations including the Malaysian Code on Corporate Governance and Bursa Malaysia Securities Berhad Main Market Listing Requirements.</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 1.6

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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>Members of the Board and Board Committees are provided with proper notices of meetings together with the agenda, and the relevant meeting papers by Management at least five (5) days prior to each meeting, to allow reasonable time for the Board and Board Committees' members to review the meeting papers and enable full deliberation on the issues to be considered at the respective meetings.</p> <p>The deliberations, decisions, and resolutions of meetings are reflected and accurately documented in the minutes by the Company Secretaries, including matters where Directors abstained from voting and deliberations. The minutes of meetings are then circulated to the Board and respective Board Committees members for review and thereafter, for confirmation at the next meetings of the Board or Board Committees. The signed minutes of meetings are properly filed and kept in the statutory minutes book at the registered office of the Company.</p> <p>The Board Committees' meetings attended by all Directors do not affect the objective and independent discussion by the Board Committees. Matters that require objective and independent discussion would be discussed without the presence of the Executive Directors i.e., private meetings with external auditors or any other matters relating to the performance of Executive Directors. The Board Committees' meetings are free to deliberate and decide on matters relating to the Board Committees' meetings without undue influence from Executive Directors.</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

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 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/corporate-governance.</p> <p>The Board would periodically review the Board Charter from time to time and make any necessary amendments to ensure they remain consistent with the Board's objectives, current laws, and practices. The Board Charter was last reviewed on 15 June 2023.</p> <p>The Board also adopted a schedule of matters specifically reserved for the Board's approval.</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 is aware of the need to establish a corporate culture that would foster the common goal of achieving business profitability, whilst cultivating ethical business conduct. 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.</p> <p>A copy of the Code of Ethics and Conduct is published on the Company's website at https://www.jf-technology.com/corporate-governance.</p> <p>Pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act 2009 and Paragraph 15.29 of Bursa Malaysia Securities Berhad Main Market Listing Requirements, the Company 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.</p> <p>A copy of the Anti-Bribery and Anti-Corruption Policy is published on the Company's website at https://www.jf-technology.com/corporate-governance.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>A Whistleblowing Policy has been established to further enhance the Group's commitment to upholding and achieving integrity, transparency, and accountability in conducting its business. The Whistleblowing Policy serves the purpose of providing an avenue for all employees and members of the public to raise concerns, report or disclose any improper behaviour and conduct, miscarriage of justice, damage to the environment, or any act and action that could materially affect the reputation of the Group as well as the interests of the stakeholders.</p> <p>The Whistleblowing Policy is available on the Company's website at https://www.jf-technology.com/corporate-governance.</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	:	The Board and Management take into account sustainability considerations in its strategies and business plan. During the financial year under review, the Company has developed a Sustainability Governance Framework and Roadmap. The Company has also enhanced the sustainability reporting where performance data as well as performance targets were included in the reporting to ensure alignment with Bursa Malaysia Securities Berhad's sustainability requirements.	
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 Group has begun reporting on the Group’s sustainability activities and performance in the Annual Report.</p> <p>The sustainability performance, initiatives, programs, and material matters are available in the annual Sustainability Statement in the Annual Report.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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	:	The Board had undertaken the relevant training to stay abreast with and understand the sustainability issues relevant to the Company and its businesses, including climate-related risks and opportunities.	
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>The Company acknowledges that it is the responsibility of the Board and senior management to address material sustainability risks and opportunities and the performance evaluation of the Board and senior management should consider how well the Board and senior management have performed their respective roles.</p> <p>The Company has enhanced its Board assessment by including questionnaires on Environmental, Social, and Governance.</p> <p>The sustainability-related key performance indicators (“KPI”) were cascaded down to the senior management within the organisation. Monitoring of KPIs will be done at the senior management level to ensure the performance of the senior management team.</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 NC oversees the overall composition of the Board in terms of size, a mix of skills, experience, and core competencies, as well as the balance between Executive Directors and Non-Executive Directors.</p> <p>The effectiveness of the Board as a whole and the contribution of each Director and the various Board Committees will be assessed on an annual basis.</p> <p>Pursuant to Clause 117 of the Constitution of the Company, the following Directors shall retire at the forthcoming Seventeenth Annual General Meeting (“17th AGM”) of the Company (hereinafter referred to as “the Retiring Directors”):</p> <p><u>Retire in accordance with Clause 117</u></p> <ul style="list-style-type: none">• Dato’ Foong Wei Kuong• Datuk Phang Ah Tong• Mr. Koay Kah Ee <p>The NC has conducted the following assessments based on the criteria as prescribed by Bursa Malaysia Securities Berhad Main Market Listing Requirements (“Prescribed Criteria”) for the Retiring Directors:</p> <ul style="list-style-type: none">• Mix of skills;• Character;• Experience;• Integrity;• Fit and proper;• Competence; and• Time commitment to discharge their roles. <p>The NC, as guided by the Directors’ Assessment Policy, has undertaken a formal assessment of the Retiring Directors using the Prescribed Criteria as well as non-Prescribed Criteria such as the following:</p> <ul style="list-style-type: none">• State of participation at the Board Committee(s)/Board meeting(s); and

	<ul style="list-style-type: none"> • Advice/guidance rendered to the Board Committee(s) and/or Board based on individual experience and background. <p>The annual re-election of retiring Directors has been contingent on a satisfactory evaluation of the Retiring Directors' performance and contribution to the Board.</p> <p>Being satisfied with the performance of the Retiring Directors, the NC and in turn, the Board has recommended to shareholders, their re-election at the forthcoming 17th AGM 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 5.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board consists of eight (8) members, comprising one (1) Managing Director, two (2) Executive Directors, one (1) Non-Independent Non-Executive Director and four (4) Independent Non-Executive Directors. The Company complied with Paragraph 15.02(1) of Bursa Malaysia Securities Berhad Main Market Listing Requirements which states that at least two (2) Directors or one-third (1/3rd) of the Board of a listed issuer, whichever is the higher, are Independent Non-Executive Directors.</p> <p>Pursuant to the definition of independence under Bursa Malaysia Securities Berhad Main Market Listing Requirements, all four (4) Independent Non-Executive Directors have satisfied their independence in the assessment of the Independent Non-Executive Directors.</p> <p>Currently, half of the Board is comprised Independent Non-Executive Directors.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.3

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

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

Application	:	Not applicable - Step Up 5.4 adopted	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 - Step Up

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

<i>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.</i>											
Application	: Adopted										
Explanation on adoption of the practice	: <p>The Board has revised its Board Charter to limit the tenure of its Independent Non-Executive Directors to nine (9) years without further extension. Upon completion of the nine (9) years, the Independent Non-Executive Director may continue to serve on the Board as a Non-Independent Non-Executive Director.</p> <p>In line with this Practice, the following events have taken place during the financial year under review:</p> <ul style="list-style-type: none">• Redesignation of Mr. Koay Kah Ee from Senior Independent Non-Executive Director to Non-Independent Non-Executive Director on 27 October 2022.• Resignations of Dato' Philip Chan Hon Keong and Mr. Lew Jin Aun as Independent Non-Executive Directors upon conclusion of the Sixteenth Annual General Meeting ("AGM") of the Company held on 1 December 2022. <p>As at 30 June 2023, the tenure of all its Independent Non-Executive Directors does not exceed nine (9) years, as per below:</p> <table border="1"><thead><tr><th>Name of Directors</th><th>Years of Service as at 30 June 2023</th></tr></thead><tbody><tr><td>Datuk Phang Ah Tong</td><td>5 years 5 months</td></tr><tr><td>Madam Chua Hui Chen</td><td>10 months</td></tr><tr><td>Ms. Chong Kur Sen</td><td>10 months</td></tr><tr><td>Puan Jamilah Binti Kamal</td><td>9 months</td></tr></tbody></table> <p>The Board Charter is accessible to the public on the Company's website at https://www.jf-technology.com/corporate-governance.</p>	Name of Directors	Years of Service as at 30 June 2023	Datuk Phang Ah Tong	5 years 5 months	Madam Chua Hui Chen	10 months	Ms. Chong Kur Sen	10 months	Puan Jamilah Binti Kamal	9 months
Name of Directors	Years of Service as at 30 June 2023										
Datuk Phang Ah Tong	5 years 5 months										
Madam Chua Hui Chen	10 months										
Ms. Chong Kur Sen	10 months										
Puan Jamilah Binti Kamal	9 months										

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>To comply with good practice for the appointment of new Directors through a formal and transparent procedure, the NC, which comprises exclusively Non-Executive Directors, with a majority of them being Independent Non-Executive Directors, is responsible for making recommendations relating to any new appointment to the Board. Any new nomination received is presented to the full Board for assessment and approval.</p> <p>For the appointment of new Directors, the NC assesses the suitability of candidates, taking into consideration the following:</p> <ul style="list-style-type: none">• required mix of skills, knowledge, expertise and experience;• professionalism;• integrity;• competencies;• fit and proper;• time commitment; and• in the case of candidates for the position of Independent Non-Executive Directors, the NC would evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors. <p>The proposed re-election of existing Directors who are seeking re-election at the AGM of the Company is first considered and evaluated by the NC. Upon completion of the evaluation, the NC will make a 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.</p> <p>The Board is entitled to the services of the Company Secretaries who ensure that all appointments are properly made and that all necessary information is obtained from the Directors, both for the internal records and to meet statutory obligations, as well as obligations arising from</p>

	<p>Bursa Malaysia Securities Berhad Main Market Listing Requirements or other regulatory requirements.</p> <p>The appointment of C-Suites who are the senior management of the Company is based on character, experience, integrity, competency, and time to discharge their role.</p> <p>The Board pursues diversity in both the Board and senior management. The Board recognises a diverse Board in the Company could offer greater depth and breadth compared to a non-diverse Board whilst the diversity in senior management will lead to better decisions.</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>A formal and transparent procedure is conducted by the NC where a new appointment or suitable candidate will be recommended to the Board for assessment and approval.</p> <p>During the assessment for the appointment of a new Director, the NC would consider the following criteria:</p> <ul style="list-style-type: none">• required mix of skills, knowledge, expertise and experience;• professionalism;• integrity;• competencies;• fit and proper;• time commitment; and• in the case of candidates for the position of Independent Non-Executive Directors, the NC would evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors. <p>The Company does not solely rely on the recommendation from the existing Board members or Management but also adopts the approach to utilise independent sources throughout the recruitment process.</p> <p>During the financial year under review, the Company had appointed three (3) new Independent Non-Executive Directors namely, Ms. Chong Kur Sen, Madam Chua Hui Chen, and Puan Jamilah Binti Kamal. The appointment of the aforesaid new Directors is in accordance with the Fit and Proper Policy adopted by the Board and through the business network of the Directors, Management, and major shareholder. The sourcing of Director candidates through these sources rather than other external sources is mainly driven by the business requirement of the Group where the Directors believe that the three (3) newly appointed Directors are suitable and fit into the long-term business strategy and growth of the Group going forward.</p>

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

Intended Outcome

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>The retiring Directors' information are disclosed in the 2023 Annual Report which includes:</p> <ol style="list-style-type: none">1) Biography including academic/professional qualification and present directorships with other public companies and listed companies.2) Any family relationship with Directors and/or any major shareholders of the Company.3) Any conflict of interest with the Company.4) Any convictions for offenses within the past five (5) years, public sanctions/any penalties imposed by the relevant regulatory bodies.5) Details of meeting attendance. <p>The explanatory notes accompanying the Notice of AGM have included the justification on whether the Board supports the re-election of the said Directors.</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 Nomination Committee is chaired by Ms. Chong Kur Sen who is an Independent Non-Executive 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	:	Applied	
Explanation on application of the practice	:	<p>The Board acknowledges the importance of Board diversity, including gender, ethnicity, age, and business experience, to the effective functioning of the Board.</p> <p>The Board has set a target to achieve 30% women representation on the Board as of the reporting period. In this context, the NC recommended, and the Board approved, the appointment of three (3) new female Directors during the financial year under review.</p> <p>Currently, four (4) out of eight (8) of the Board members are female Directors, representing 50% of the women representation on the Board.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Despite the Board not having any formalised Gender Diversity Policy for the Board and senior management, the Board practices non-gender discrimination and endeavours to promote workplace diversity and supports the representation of women in the composition of the Board and senior management positions of the Company.	
		Currently, the Board comprises four (4) female Directors out of eight (8) Directors, representing 50% of the women representation on the Board.	
<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

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The Board, individual Directors, and Board Committees are assessed by the NC through the following annual assessments:</p> <ul style="list-style-type: none">(a) effectiveness of the Board as a whole and the Committees of the Board;(b) contribution and performance of each individual Director;(c) contribution and performance of the AC and each individual AC member; and(d) independence of Independent Non-Executive Directors. <p>The assessments are conducted on a yearly basis and each of the Directors is given the chance to provide feedback on the effectiveness of the Board as a whole and their individual performance and contribution to the Board. In addition, the NC members also assessed the contribution and performance of the Board Committees and each individual AC member. The results of all the assessments are then collated by the Company Secretaries and tabled to the NC for deliberation.</p> <p>The NC is satisfied with the effectiveness demonstrated based on the annual assessments conducted for the financial year ended 30 June 2023. The review supported the Board's decision to endorse all retiring Directors standing for re-election. The assessment report was deliberated and circulated to the NC in August 2023. The results affirmed that the Board and each of its Board Committees continue to operate effectively.</p> <p>To ensure continuing education for the Board to enhance their knowledge and skills for better Board participation during the meetings, the Board members attended training programs during the financial year under review, details of which were disclosed in the Corporate Governance Overview Statement in the 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 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 in place a Remuneration Policy for Directors and senior management team which sets out the criteria applied in recommending their remuneration packages.</p> <p>The Remuneration Policy is available on the Company's website at https://www.jf-technology.com/corporate-governance.</p> <p>The RC is responsible for reviewing, assessing, and recommending the remuneration packages of the Executive Directors after taking into consideration the individual performance, seniority, experience, and scope of responsibilities that are sufficient to attract and retain the Executive Directors needed to run the Company successfully.</p> <p>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.</p> <p>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.</p> <p>The RC shall assess the remuneration package of the senior management team upon the review and recommendation from the</p>

	Executive Directors, before recommending the same to the Board for approval.	
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 7.2

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The RC implements the policies and procedures on the remuneration of the Board and senior management and reviews and recommends matters relating to the remuneration of the Board and senior management.</p> <p>The RC also has written terms of reference which is available on the Company's website at https://www.jf-technology.com/corporate-governance. The said terms of reference deals with its authorities and duties, among others, including:</p> <ul style="list-style-type: none"> i. Recommends to the Board, the remuneration packages of Executive Directors and senior management personnel in all its forms, drawing from outside advice as necessary. ii. Remuneration packages of Non-Executive Directors shall be determined by the Board as a whole. 	
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	:	The details of the remuneration of Directors of the Company comprising remuneration received/receivable from the Company and its subsidiaries during the financial year ended 30 June 2023 are as follows:

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Foong Wei Kuong	Executive Director	-	-	-	-	-	-	-	-	87.35	785.28	283.56	13.18	221.48	1,390.85
2	Datin Wang Mei Ling	Executive Director	-	-	-	-	-	-	-	-	66.05	506.40	162.74	-	141.72	876.91
3	Goh Kok Sing	Executive Director	-	-	-	-	-	-	-	-	0.05	139.08	44.68	17.40	24.24	225.45
4	Datuk Phang Ah Tong	Independent Director	40.32	6	-	-	-	-	46.32	40.32	6	-	-	-	-	46.32
5	Dato' Philip Chan Hon Keong	Independent Director	12.936	4	-	-	-	-	16.936	12.936	4	-	-	-	-	16.936
6	Koay Kah Ee	Non-Executive Non-Independent Director	37.632	6.5	-	-	-	-	44.132	37.632	6.5	-	-	-	-	44.132
7	Lew Jin Aun	Independent Director	12.936	4	-	-	-	-	16.936	12.936	4	-	-	-	-	16.936
8	Chua Hui Chen	Independent Director	28.308	6.5	-	-	-	-	34.808	28.308	6.5	-	-	-	-	34.808
9	Chong Kur Sen	Independent Director	28.308	5.5	-	-	-	-	33.808	28.308	5.5	-	-	-	-	33.808
10	Jamilah Binti Kamal	Independent Director	23.268	4.5	-	-	-	-	27.768	23.268	4.5	-	-	-	-	27.768
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	:	<p>The Board has considered this practice and is of the opinion that the disclosure of the top five (5) senior management's remuneration on a named basis would not be in the best interest of the Group due to the competitive nature of the industry within which the Group operates and the sensitivities for such disclosure. The confidentiality of such information is also crucial for the Group in managing its recruitment and talent retention effectively.</p> <p>Hence, the Group only disclosed the top five (5) senior management's remuneration component in a band width of RM50,000.00.</p> <p>The top five (5) senior management's remuneration components including Employees Provident Fund (EPF), bonus, Social Security Organisation (SOCSO), allowance, benefits-in-kind, and other emoluments in bands of RM50,000.00 are shown below:</p> <table border="1" data-bbox="568 1442 1385 1597"> <thead> <tr> <th>Remuneration bands (RM)*</th> <th>No. of senior management</th> </tr> </thead> <tbody> <tr> <td>300,001 to 350,000</td> <td>1</td> </tr> <tr> <td>450,001 to 500,000</td> <td>3</td> </tr> <tr> <td>500,001 to 550,000</td> <td>1</td> </tr> </tbody> </table> <p><i>*Successive bands of RM50,000.00 are not shown entirely as they are not represented.</i></p> <p>Please provide an alternative practice and explain how the alternative practice meets the intended outcome.</p>	Remuneration bands (RM)*	No. of senior management	300,001 to 350,000	1	450,001 to 500,000	3	500,001 to 550,000	1
Remuneration bands (RM)*	No. of senior management									
300,001 to 350,000	1									
450,001 to 500,000	3									
500,001 to 550,000	1									
<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.	
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No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Chairperson of the Audit Committee (“AC”) is not the Chairman of the Board to ensure the overall effectiveness and independence of the AC.</p> <p>The Chairperson of the AC is Madam Chua Hui Chen, whereas the Chairman of the Board is Datuk Phang Ah Tong.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>In line with the recommendation of the Malaysian Code on Corporate Governance, the terms of reference of the AC has been revised to include the cooling-off period of at least three (3) years before a former partner of the external audit firm of the Company i.e., the former partners of the audit firm and/or the affiliate firm (including those providing advisory services, tax consulting, etc.) could be appointed as AC member to safeguard the independence of the audit of the Company's financial statements.</p> <p>The terms of reference of the AC is available on the Company's website at https://www.jf-technology.com/corporate-governance.</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 Board via the AC will conduct an annual assessment of the suitability and independence of External Auditors, Crowe Malaysia PLT.</p> <p>Based on the annual assessment conducted for the financial year ended 30 June 2023, the AC was satisfied with Crowe Malaysia PLT's technical competency and audit independence during the financial year under review.</p> <p>The AC has also received assurance from Crowe Malaysia PLT, 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.</p> <p>Having considered all of the above matters, the Board had upon recommendation by the AC, approved the recommendation for the re-appointment of Crowe Malaysia PLT as the External Auditors of the Company for the ensuing year for the shareholders' approval at the forthcoming 17th AGM of the Company.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>Currently, the AC comprises solely Independent Non-Executive Directors as follows:</p> <ol style="list-style-type: none">1) Madam Chua Hui Chen (<i>Chairperson</i>)2) Ms. Chong Kur Sen3) Puan Jamilah Binti Kamal <p>The following events have taken place during the financial year under review:</p> <ul style="list-style-type: none">• Resignation of Mr. Koay Kah Ee as a member of the AC on 15 November 2022 following his redesignation from Independent Non-Executive Director to Non-Independent Non-Executive Director.• Datuk Phang Ah Tong, the Independent Non-Executive Chairman has resigned as a member of the AC on 30 September 2022 to comply with Practice 1.4 of the Malaysian Code on Corporate Governance.

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	:	All members of the AC are financially literate and have the necessary skills, financial experience, and expertise to discharge their duties effectively. The qualifications and experience of the individual AC members are further disclosed in the Directors' Profile of the Annual Report 2023. All members of the AC have undertaken continuous professional development. Details of the training attended by the respective members are disclosed in 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

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	:	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 a system is structured to manage rather than eliminate the possibility of encountering the risk of failure to achieve corporate objectives. The Statement on Risk Management and Internal Control is set out in the Annual Report 2023 providing an overview of the state of the risk management and internal controls within the Group for the financial year under review.	
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 Statement on Risk Management and Internal Control in the Annual Report 2023 provides detailed information on the state of the risk management and internal controls within the Group.</p> <p>The Board via the AC oversees the risk management and internal control system of the Group. During the financial year under review, the AC reviewed and discussed the Risk Management Reports for the period from October 2022 to March 2023 and April 2023 to September 2023 which covered the Principal Risks (Strategic, Project, and Product Risks) and Non-Principal Risks (Operational and Financial Risks) of the Group during the AC meetings held on 22 November 2022 and 23 May 2023, respectively.</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	:	<p>During the financial year under review, the Company has outsourced its internal audit function to Tricor Axcelasia Sdn. Bhd. (“Tricor Axcelasia”), an independent professional services firm, to assist the AC in discharging its duties and responsibilities more effectively.</p> <p>Tricor Axcelasia assists in obtaining assurance regarding the effectiveness of the system of internal control and reports directly to the AC on issues and recommendations arising from each review.</p> <p>During the financial year under review, the internal audit function has conducted the following audits on the Group to assess the adequacy and effectiveness of the system of internal control and compliance with the Group’s policies and procedures:</p> <ol style="list-style-type: none"> 1. Assessment of Material Supply Management; 2. Assessment of Maintenance of Facility and Equipment; 3. Follow-up assessment on prior internal audit observations on Human Capital Management; 4. Follow-up assessment on prior internal audit observations on Anti-Corruption Programme Management; and 5. Follow-up assessment on prior internal audit observations on Material Supply Management. <p>The AC and the Board were satisfied with the performance of Tricor Axcelasia, in the provision of outsourced internal audit services to the Group during the financial year under review.</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

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>The Group’s internal audit function, which reports directly to the AC, is outsourced to Tricor Axcelasia. The main role of the internal audit function is to undertake regular reviews of the Group’s systems of controls, procedures, and operations to provide independent and objective assurance to the AC regarding the adequacy and effectiveness of internal control, risk management, and governance systems. The Engagement Executive Director during the financial year under review is Ms. Melissa Koay who has diverse professional experience in internal audit, risk management, and corporate governance advisory. She is a Chartered Member of the Institute of Internal Auditors Malaysia, a member of the Malaysian Institute of Accountants, and a Fellow Member of the Association of Chartered Certified Accountants, United Kingdom. Ms. Melissa Koay is also a Certified Internal Auditor.</p> <p>The number of staff deployed for the internal audit reviews ranges from four (4) to five (5) staff per visit including the Engagement Director. The staff involved in the internal audit reviews possess professional qualifications and/or university degrees. Certain staff are members of the Institute of Internal Auditors Malaysia. The internal audit staff on the engagement are free from any relationship or conflict of interest, which could impair their objectivity and independence, and the internal audit reviews are conducted using a risk-based approach and are guided by the International Professional Practice Framework.</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

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

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

Practice 12.1

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

Application	:	Applied						
Explanation on application of the practice	:	<p>The Board acknowledges the importance of timely and equal dissemination of material information to the shareholders, investors, and public at large. The Board, in its best efforts, always keeps the shareholders and various stakeholders informed of the Company's businesses and corporate developments and ensures that the Company's communications with them are informative and timely.</p> <p>The Board ensures that the Company announces its quarterly results, Annual Reports, or announcements on material corporate exercises to its stakeholders via Bursa Malaysia Securities Berhad.</p> <p>The Board also ensures that the stakeholders are given the opportunity to speak and seek clarifications during the Company's general meeting(s) for effective and transparent communications with its stakeholders.</p> <p>In addition, the Company maintains a website at https://www.jf-technology.com/ for the stakeholders and general public to access information on, amongst others, the Group's profile, corporate profile, products, financial performance, and announcements made to Bursa Malaysia Securities Berhad.</p> <p>Any further information regarding the Group may also be obtained by the following methods:</p> <table border="1"><tr><td>Telephone</td><td>03-61408668</td></tr><tr><td>Facsimile</td><td>03-61408992</td></tr><tr><td>Email</td><td>foong.wei.kuong@jftech.com.my</td></tr></table>	Telephone	03-61408668	Facsimile	03-61408992	Email	foong.wei.kuong@jftech.com.my
Telephone	03-61408668							
Facsimile	03-61408992							
Email	foong.wei.kuong@jftech.com.my							
Explanation for departure	:							
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>								

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Annual Report 2023 which contains the Notice of the AGM together with the form of proxy are given to shareholders at least twenty-eight (28) days before the AGM of the Company, which gives shareholders sufficient time to prepare themselves to attend the AGM of the Company or to appoint a proxy to attend and vote on their behalf.</p> <p>An announcement of the Notice of AGM is made to Bursa Malaysia Securities Berhad as well as an advertisement in the major local newspaper. In addition, a Notice of AGM will also be circulated to the shareholders via email for those with valid email addresses whilst hard copies were sent to those without email addresses.</p> <p>Each item of special business included in the Notice of AGM is accompanied by an explanatory statement for the proposed resolution to facilitate the full understanding and evaluation of the issues involved.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>The Board is cognisant that all Directors including the Chairpersons of the Board Committees should attend the general meetings to address the issues raised by the shareholders unless unforeseen circumstances preclude them from attending the general meetings.</p> <p>During the Sixteenth AGM of the Company held on 1 December 2022, all Directors except Ms. Chong Kur Sen attended the aforesaid AGM. Ms. Chong Kur Sen was absent from the AGM as she was not feeling well.</p> <p>In addition to the above, the External Auditors of the Company will also attend the AGM of the Company to respond to the shareholders' queries.</p> <p>Please provide an alternative practice and explain how the alternative practice meets the intended outcome.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Sixteenth AGM of the Company was held physically. The intended outcome of this Practice was achieved as the agenda items of the Sixteenth AGM of the Company were well delivered and deliberated by the Directors and the shareholders, which allowed the shareholders to make informed decisions. The shareholders were allowed to submit proxy forms to appoint proxy/proxies to vote on their behalf.	
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

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	: All Directors, except Ms. Chong Kur Sen, attended the Sixteenth AGM of the Company held on 1 December 2022 to engage with the shareholders and proxies proactively. The Chairman of the Meeting ensured that sufficient opportunities were given to shareholders and proxies to raise issues relating to the affairs of the Company by providing ample time for the Question-and-Answer session during the AGM of the Company. The Directors had actively responded to relevant questions addressed to them during the Sixteenth AGM of the Company. The Chief Financial Officer and representatives of External Auditors also attended and participated in the Sixteenth AGM of the Company.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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 :	Not applicable – only physical general meetings were conducted in the financial year
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 13.6

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 Sixteenth AGM of the Company, which include the questions raised by shareholders together with the responses by the Company and the outcome of the voting results, were made available to the shareholders within thirty (30) business days after the Sixteenth AGM of the Company at the Company's website at https://www.jf-technology.com/minutes-of-agm .
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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