

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 0127  
**COMPANY NAME** : JHM CONSOLIDATION BERHAD  
**FINANCIAL YEAR** : December 31, 2023

## OUTLINE:

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

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

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

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

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

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board of Directors of JHM ("Board") is responsible for the overall performance of the Group and oversees the Group's goals, strategic directions, achievements, standards of conduct and policies.</p> <p>The Board collectively and individually exercise its fiduciary duties and use reasonable care, skill and diligence when exercising its duties.</p> <p>The Board is responsible for the following:-</p> <ul style="list-style-type: none"><li>a) Review, approve and monitor the overall strategies and direction of the Group;</li><li>b) Identify the principal risks and implementing appropriate system to manage such risks;</li><li>c) Oversee and evaluate the conduct and performance of the Group's business;</li><li>d) Review the adequacy of the Group's internal control policy; and</li><li>e) Ensure that appropriate plans are in place in respect of the succession plan of the Group.</li></ul> <p>The Company's Board Charter defines the specific duties and responsibilities of the Board which can be found at the Company's website at <a href="http://www.jhm.net.my">www.jhm.net.my</a>.</p> <p>The Board, in discharging its fiduciary duties and responsibilities has appointed the following Board Committees with specific terms of reference to assist the Board:-</p> <ul style="list-style-type: none"><li>a) Audit Committee and Risk Management Committee ("ACRMC");</li><li>b) Nomination Committee ("NC"); and</li><li>c) Remuneration Committee ("RC").</li></ul>

	<p>The activities of each Committee are set out in the Corporate Governance Overview Statement (“CG Overview Statement”) of the Annual Report 2023.</p> <p>While the responsibility for monitoring the effectiveness of the Group’s risk management and internal control systems has been delegated to the AC, the Board retains ultimate responsibility for determining the Group’s “risk tolerance” and annually considers a report in relation to the monitoring, controlling and reporting of identified risks and uncertainties.</p> <p>Every director has taken proactive actions to keep abreast of his/her responsibilities as a Director and of the conduct, business activities and development of the Company. The Board encourages its Directors to attend talks, seminars, workshops and conferences to update and enhance their knowledge to enable them to carry out their roles effectively as directors in discharging their responsibilities towards corporate governance, and other operational and regulatory issues. The Directors are also briefed by the Company Secretary on the latest letters and circulars issues by Bursa Malaysia Securities Berhad (“Bursa Securities”).</p> <p>During the financial year ended 31 December 2023, all Directors had attended appropriate training programmes to equip themselves with the knowledge to discharge their duties more effectively and to keep abreast of the developments in the marketplace. The details of the trainings / seminars attended by Directors are set out in the Corporate Governance Overview Statement in the Annual Report 2023.</p> <p>The Board ensures that the strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability. During the financial year, the Risk Management Working Group and Board Sustainability Committee assists the Board to perform a periodic review and assessment on the risk management of the Group and oversees the implementation of sustainability strategy and evaluates overall sustainability risks and opportunities of the Group.</p> <p>Along with good corporate governance practices, the Company is committed to provide to investors and the public with comprehensive, accurate and material information on a timely basis. In line with this commitment and in order to enhance transparency and accountability, the Board has adopted an Internal Corporate Disclosure Policies and Procedures to facilitate the handling and disclosure of material information in a timely and accurate manner.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>

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

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

### Intended Outcome

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

### Practice 1.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of JHM is helmed by Mr. Lim Chun Thang. Mr. Lim was appointed to the Board on 23 August 2018 as Independent Non-Executive Chairman. His profile is outlined under the Profile of Directors in the Annual Report 2023.</p> <p>As the Chairman of the Board, Mr. Lim is responsible for providing overall leadership to the Board and ensuring the effective functioning and conduct of the Board. His responsibilities, amongst others include:</p> <ul style="list-style-type: none"><li>i. Provided the leadership for the Board so that the Board can perform its responsibilities effectively;</li><li>ii. Led Board meetings and discussions;</li><li>iii. Encouraged active participation and allowed dissenting views to be freely expressed;</li><li>iv. Managed the interface between Board and management;</li><li>v. Ensured appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole; and</li><li>vi. Led the Board in establishing and monitoring good corporate governance practices in the Company.</li></ul> <p>The roles and responsibilities of the Chairman of the Board are stated in the Board Charter, which is published on the Company's website at <a href="http://www.jhm.net.my">www.jhm.net.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 1.3**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The role of the Independent Non-Executive Chairman and Group Chief Executive Officer are distinct and separate to ensure that there is a balance of power and authority. The Independent Non-Executive Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board. The Chairman is Mr. Lim Chun Thang.</p> <p>The Group Chief Executive Officer has overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions. The Group Chief Executive Officer is responsible to ensure due execution of strategic goals, effective operations within the Group, and to explain, clarify and inform the Board on key matters pertaining to the Group. The Group Chief Executive Officer is Dato' Seri Tan King Seng.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
<b>Application</b> :	Departure
<b>Explanation on application of the practice</b> :	
<b>Explanation for departure</b> :	The Chairman of the Board, Mr. Lim Chun Thang is also the Chairman of Nomination Committee and Remuneration Committee. Nomination Committee is supported by independent director, Ms. Wong Chi Yeng and Remuneration Committee is supported by independent directors, Ms. Wong Chi Yeng and Mr. Lai Fah Hin.
	The Chairman is conscious of his differing roles in the Board, in the Nomination Committee and Remuneration Committee. All issues before recommending to the Board are thoroughly deliberated at the committee levels which involved the participation of the other Independent Directors. All recommendations by the Committees to the Board have been arrived at unanimously and this would have eliminated the risk of self-review.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

## Intended Outcome

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

### Practice 1.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is supported by suitably qualified and competent Company Secretaries who are members of the Malaysian Bar Council and the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) respectively.</p> <p>The Company Secretaries advise the Board on the issues relating to the Company's Constitution, Malaysian Code on Corporate Governance ("MCCG"), Companies Act 2016 ("Act") and Listing Requirements of Bursa Securities ("LR").</p> <p>The Company Secretaries are responsible for secretarial functions such as compliance with all statutory and regulatory requirements, providing corporate advisory to the Board, recording the proceedings of all Board and Board Committees' meetings and proper maintenance of statutory records.</p> <p>The Board obtained appropriate advice and services, if necessary, from Company Secretaries to ensure adherence to Board meeting procedures and compliance with regulatory requirements.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**Intended Outcome**

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

**Practice 1.6**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Meetings materials are circulated to the Board and Board Committees' members, 7 days prior to the scheduled meetings.</p> <p>The meetings of the Board and the Board Committees are properly minuted and circulated to all Board members.</p> <p>All Board members / Board Committees' members reviewed and confirmed the minutes of the meetings to ensure they accurately reflect the deliberations and decision of the Board, including whether any Director abstained from voting or deliberation on a particular matter. The signed board minutes are kept at the Company's minutes book.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

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

**Practice 2.1**

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board Charter is available on the Company's website at <a href="http://www.jhm.net.my">www.jhm.net.my</a> . The roles and responsibilities of the Board, Individual Directors, Independent Directors, Senior Independent Director, Chairman, Group Chief Executive Officer and Board Committees are set out in the Board Charter.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

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

### Practice 3.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Directors observed the code of conduct and ethics in accordance with the Company Directors' Code of Ethics established by the Companies Commission of Malaysia.</p> <p>In order to enhance the standard of corporate governance and behaviours, the Board observed the Company's Code of Conduct which set out standards of business and ethical conduct based on general principles including, amongst others, integrity and honesty, fair dealing and confidentiality as guidance to all directors and employees in the conduct of their business.</p> <p>The Code of Conduct for Directors can be found on the Company's website at <a href="http://www.jhm.net.my">www.jhm.net.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 3.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company acknowledges the importance of policies and procedures on whistleblowing and thereby, set out a Whistleblowing Policy to delineate whistleblowing procedures as an independent feedback avenue for employees and stakeholders to raise matters of concern in good faith and without fear of reprisal should they require to use the available whistleblowing channels.</p> <p>The details of the procedures are set out within the Whistleblowing Policy.</p> <p>The Whistleblowing Policy can be found on the Company's website at <a href="http://www.jhm.net.my">www.jhm.net.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 4.1**

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

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

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>: To sustain its operations for the long term, the Board recognizes that sustainable development is an important and integral part of the pursuit of value creation for shareholders, employees, customers and society at large. In this regard, the Board is responsible for setting the Group’s sustainability strategies. In fact, sustainability practices are embedded in the Group’s day to day operations.</p> <p>The Group is presently at Phase 2 of the governance structure as prescribed by the Bursa Malaysia Sustainability Reporting Guide. The governance structure for the Group’s Sustainability is as per below:</p> <div style="display: flex; align-items: center;"> <div style="border: 1px solid black; padding: 5px; text-align: center; width: 200px;"> <b>Board of Directors</b> </div> <div style="margin-left: 10px;"> <p>The Board sets the sustainability strategy of the Group. It ensures that the Group’s business strategies consider sustainability.</p> </div> </div> <div style="display: flex; align-items: center; margin-top: 10px;"> <div style="border: 1px solid black; padding: 5px; text-align: center; width: 200px;"> <b>Risk Management Working Group and Sustainability</b> </div> <div style="margin-left: 10px;"> <p>The Risk Management Working Group and Sustainability Committee oversees the implementation of sustainability strategy. It evaluates overall sustainability risks and opportunities.</p> </div> </div> <div style="display: flex; align-items: center; margin-top: 10px;"> <div style="border: 1px solid black; padding: 5px; text-align: center; width: 200px;"> <b>Heads of Departments</b> </div> <div style="margin-left: 10px;"> <p>The Heads of Departments support implementation of Sustainability Strategies. It reports on the Key Sustainability Indicators.</p> </div> </div>

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

**Intended Outcome**

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

**Practice 4.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Company’s sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders via Sustainability Statement in of Annual Report 2023.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 4.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In order to ensure the Board is kept abreast on sustainability issues, several seminars had been arranged for the Board.</p> <p>The trainings attended by the Board is as follows: -</p> <ol style="list-style-type: none"><li>1. Discover IR 4.0 &amp; ESG: Training for Manufacturers</li><li>2. Penang ESG Conference &amp; Exhibition 2023</li><li>3. Green Practices for the Manufacturing Sector</li><li>4. High Impact Workshop on IR4.0 and ESG</li></ol> <p>They have also attended various continuous education programmes such as seminars and conference.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**Intended Outcome**

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

**Practice 4.4**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The NC had on 27 February 2023 conducted the assessment on the Board and senior management in addressing the Company’s material sustainability risk and opportunities or Environmental, Social and Governance (“ESG”).</p> <p>The NC was satisfied with the performance of the Board and senior management and reported the results of the evaluation to the Board.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.5- Step Up**

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

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

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

### Intended Outcome

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

### Practice 5.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NC is empowered by the Board to review the composition and performance of the Board through the annual assessment of the effectiveness of the Board as a whole, its committees and the contribution of each individual Director.</p> <p>The Company has in place a Fit and Proper Policy as a guide for the process and procedure for assessment of new appointments and re-appointments of Directors.</p> <p>The NC had assessed the effectiveness of the Board, the Committees, the contribution of each individual Director, performance of Independent Directors as well as reviewed and recommended Mr. Lai Fah Hin and Ms. Low Soo Kim, retired in accordance with the Constitution of the Company ("Retiring Directors").</p> <p>Based on the results of the annual evaluation, the performance of each of the Retiring Directors was found to be satisfactory. The NC then made recommendation to the Board on their re-election at the 19<sup>th</sup> Annual General Meeting ("AGM").</p> <p>Upon assessment of independence of the Independent Directors, the tenure of individual Independent Directors would be presented to the NC for review annually. As at 31 December 2023, none of the Independent Directors had serve the Company for more than 9 years as per the recommendations of the Malaysian Code of Corporate Governance.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

**Intended Outcome**

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

**Practice 5.2**

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

<b>Application</b>	:	Applied		
<b>Explanation on application of the practice</b>	:	As at 31 December 2023, the Board comprised of seven (7) members with four (4) being Independent Non-Executive Directors.		
		Designation	Number of Directors	Percentage (%)
		Executive Directors	3	42.86
		Independent Non-Executive Directors	4	57.14
		Total	7	100.00
		There was an Executive Director resigned on 31 October 2023.		
<b>Explanation for departure</b>	:			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>				
<b>Measure</b>	:			
<b>Timeframe</b>	:			

**Intended Outcome**

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

**Practice 5.3**

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

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

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

### Intended Outcome

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>						
<b>Application</b>	:	Adopted				
<b>Explanation on adoption of the practice</b>	:	The Board has adopted a 9-year policy for Independent Non-Executive Directors ("NEDs") under paragraph 4.5.i of the Board Charter.  All Independent NEDs have served Board less than nine (9) years. The Director's year of service as at date of this report were set out in the profiles of the Board of Directors as disclosed in the Annual Report 2023 and summarised as follows:				
		Years of service (#)	0<#<1	1<#<3	3<#<6	6<#<9
		Number of Independent NED	-	-	2	2

### Intended Outcome

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

### Practice 5.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is judicious of the gender diversity recommendation promoted by the Malaysian Code on Corporate Governance 2021 (“<b>MCCG</b>”) in order to offer greater depth and breadth to board discussion and constructive debates at senior management level.</p> <p>The Group is an equal opportunity employer and all appointments to the Board and employment of all staff are based on objective criteria, merit, skills and experience, competencies and other attributes regardless of gender, ethnicity and age.</p> <p>There were two (2) female Directors on the Board as at 31 December 2023.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

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

### Practice 5.6

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>When considering new appointment, the NC shall evaluate the balance of skills, knowledge and experience on the board. In identifying suitable candidates, the NC shall consider candidates from a wide range of backgrounds and consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position.</p> <p>The NC followed the nomination process of Director's appointment as set out in the Terms of Reference of NC and Fit and Proper Policy, recommended the appointment of the abovementioned Director to the Board for approval. Other sources were not used as the NC was satisfied that the abovementioned Director is the suitable candidate for the Company after assessment of her qualification, skills and expertise.</p> <p>The Board take note of the guidance to utilise independent sources for future appointments of future candidates.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.7

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has in place a Fit and Proper Policy as a guide for the process and procedure for assessment of new appointments and re-appointments of Directors.</p> <p>The performance of the retiring directors is assessed by the NC and Board before recommendation is made to the shareholders for consideration. For Independent Directors, the NC also assess their relationship with the executives that might influence, or reasonably be perceived to influence their capacity to bring an independent judgement and to act in the best interests of the listed company as a whole.</p> <p>The details of the Directors interest, position and experience are set out in the Directors' profile in the Annual Report.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.8**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The NC is chaired by Mr. Lim Chun Thang, the Independent Non-Executive Director. Mr. Lim Chun Thang had led the annual review and assessment on the effectiveness of the Board, the committees of the Board and the contribution of each individual director, including Independent Non-Executive Directors and principal officer.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 5.9

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>The Company has two (2) female Directors and five (5) male Directors as at 31 December 2023.</p> <p>The Board acknowledges the best practice of the MCG for the Board comprises at least 30% women Directors. In heading this, there was a positive development for the Company in making greater strides towards notable gender diversity on the Board with the appointments of Ms. Wong Chi Yeng to the Board on 4 January 2017 and Ms. Low Soo Kim on 26 February 2021.</p> <p>The Board is mindful that any gender representation should be in the best interest of the Company. Although the Company has not reached the 30% women representation target at Board level as required, the Board decisions are made objectively in the best interests of the Group taking into account diverse perspectives and insights. The Board is of the view that it is important to recruit and retain the best available talent regardless of gender, ethnicity and age to maximize the effectiveness of the Board.</p> <p>The Board notwithstanding the view that diversity should be in tandem with expertise, experience and skills and not gender alone. Hence, the Nomination Committee has been tasked to look for suitably qualified female candidate when there is a vacancy.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.10**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Group is an equal opportunity employer and all appointments to the Board and employment of all staff are based on objective criteria, merit, skills and experience, competencies and other attributes regardless of gender, ethnicity and age.</p> <p>The Board has on 18 April 2019 adopted Gender Diversity Policy which can be found on the Company's website at <a href="http://www.jhm.net.my">www.jhm.net.my</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

## Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The NC has developed criteria to assess the effectiveness of the Board, the Board committees and individual Director. The evaluation on the Board's effectiveness is divided into four sections on the following key areas: - <ul style="list-style-type: none"><li>• Board mix &amp; composition</li><li>• Quality of information and decision making; and</li><li>• Boardroom activities</li></ul> The process also assesses the competencies of each Director in the areas of fit and proper, contribution and performance, calibre and personality.  The NC also undertakes annual assessment of the independence of the independent directors based on required mix skills, criteria of independence as per requirements of Main Market Listing Requirements, meeting attendance, ability to ensure effective checks and balances on the Board's decision making process, constructively challenge business propositions and contributes to the development of business strategy and direction of the Company, ensures that adequate systems and controls to safeguard the interests of the Company are in place and continuous updating of knowledge and enhancing of skills through attendance of business related trainings.  The results indicated the Board as a whole was effective as well as the contribution of each individual Director and principal officer. The NC and the Board also expressed satisfaction with the independence and performance of the present independent directors of the Company.
<b>Explanation for departure</b>	:

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

## Intended Outcome

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

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

## Practice 7.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has on 18 April 2019 put in place formalised Remuneration Policy and Procedures to govern the remuneration of Directors and Key Senior Management. The policy is made available on JHM's website at <a href="http://www.jhm.net.my">www.jhm.net.my</a>.</p> <p>This remuneration policy which governs the remuneration of the employees including Directors and Key Senior Management of the Company to ensure the same remain competitive, appropriate and in alignment with the prevalent market practices and that the Company attracts, retains and motivates the Executive Directors and Key Senior Management who are with strong credentials, high caliber and astute insights to run the business successfully.</p> <p>All remuneration related matters of the Directors and Key Senior Management are presently subjected to the oversight and management of the Remuneration Committee.</p> <p>Procedures, such as assessing and recommending the remuneration packages for Directors and Key Senior Management, and other relevant tasks are currently carried out by the Remuneration Committee prior to the necessary reporting to the Board.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		



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

### Intended Outcome

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

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

### Practice 7.2

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The MCGG recommended that the Remuneration Committee ("RC") should only consist of Non-Executive Directors and a majority of them must be independent Directors. The current composition of the RC conforms to the MCGG's requirement and its three (3) members are Independent Non-Executive Directors ("NED").</p> <p>The RC is responsible for recommending to the Board the appropriate remuneration of the Executive Directors in all forms to commensurate with the respective contributions of the Executive Directors. The Executive Directors are to abstain from deliberation and voting on the decision in respect of their own remuneration packages.</p> <p>The RC reviews the remuneration packages of the Executive Directors, and recommended to the Board for approval, to ensure their remuneration packages is sufficiently attractive and is able to retain and motivate Executive Directors to run the Company successfully.</p> <p>All the Independent NEDs are entitled to the Directors' fees and meeting allowances for attending Board and Board committee meetings. The proposed Directors' fees and Directors' benefits are subject to shareholders' approval at general meeting.</p> <p>The RC's Terms of Reference is available at the Company's website at <a href="http://www.jhm.net.my">www.jhm.net.my</a>.</p>
<b>Explanation for departure</b>	:	

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

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

**Intended Outcome**

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

**Practice 8.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The detailed disclosure for the remuneration of Directors are disclosed 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' Seri Tan King Seng	Executive Director	0	0	0	0	0	0	0	0	60	839	120	43	195	1,257
2	Cheah Choon Ghee	Executive Director	0	0	0	0	0	0	0	0	42	296	24	0	21	383
3	Low Soo Kim	Executive Director	0	0	0	0	0	0	0	0	42	250	30	9	40	371
4	Lim Chun Thang	Independent Director	36	4	0	0	0	0	40	36	4	0	0	0	0	40
5	Wong Chi Yeng	Independent Director	36	4	0	0	0	0	40	36	4	0	0	0	0	40
6	Lai Fah Hin	Independent Director	36	2	0	0	0	0	38	36	2	0	0	0	0	38
7	Khor Cheng Kwang	Independent Director	36	2	0	0	0	0	38	36	2	0	0	0	0	38
8	Lim Khai Teng (resigned on 31 October 2023)	Executive Director	0	0	0	0	0	0	0	0	28	210	13	16	31	298
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

### Intended Outcome

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

### Practice 8.2

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

<b>Application</b>	:	Departure										
<b>Explanation on application of the practice</b>	:											
<b>Explanation for departure</b>	:	<p>The top five (5) Senior Management's remuneration for the financial year ended 31 December 2023, in bands of RM50,000 is as follow:-</p> <table><thead><tr><th><b>Range of remuneration</b></th><th><b>No. of Senior management</b></th></tr></thead><tbody><tr><td>RM300,000 to RM350,000</td><td>2</td></tr><tr><td>RM250,000 to RM300,000</td><td>0</td></tr><tr><td>RM200,000 to RM250,000</td><td>3</td></tr><tr><td><b>Total</b></td><td><b>5</b></td></tr></tbody></table> <p>The Board is of the opinion that the disclosure of the remuneration of individual senior management on name basis would not in the best interest of the Group due to confidentiality and the sensitive nature.</p>	<b>Range of remuneration</b>	<b>No. of Senior management</b>	RM300,000 to RM350,000	2	RM250,000 to RM300,000	0	RM200,000 to RM250,000	3	<b>Total</b>	<b>5</b>
<b>Range of remuneration</b>	<b>No. of Senior management</b>											
RM300,000 to RM350,000	2											
RM250,000 to RM300,000	0											
RM200,000 to RM250,000	3											
<b>Total</b>	<b>5</b>											
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>												
<b>Measure</b>	:											
<b>Timeframe</b>	:											

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

**Intended Outcome**

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

**Practice 8.3 - Step Up**

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

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



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

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Chairman of the ACRMC is not the Chairman of the Board.  The Chairman of the ACRMC is Ms. Wong Chi Yeng, and the Chairman of the Board is Mr. Lim Chun Thang.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Terms of Reference of the Audit Committee (“AC”) has included the observation of the cooling-off period to at least three years before a former key audit partner of the External Auditors can be appointed as a member of the AC.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.3**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The ACRMC is responsible for the annual assessment of the competency and independence of the external auditors. Having assessed the performance and independence of the external auditors, the ACRMC will recommend the re-appointment of external auditors to the Board, who will then seek the shareholders' approval at the Annual General Meeting.</p> <p>The external auditors are required to declare their independence annually to the ACRMC as specified by the By-Laws issued by the Malaysian Institute of Accountants. The external auditors have provided the declaration in their annual audit plan presented to the ACRMC of the Company.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The ACRMC of the Company comprises solely of Independent Non-Executive Directors.

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.5

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The members of the ACRMC possess the necessary skills to discharge their duties and are financially literate. The profiles of the members of the ACRMC are provided in the Annual Report 2023.  The training programs that the members of the ACRMC have attended during the financial year ended 31 December 2023 are disclosed in the Annual Report 2023.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

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

**Practice 10.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Group has in place an effective risk management and internal control framework to identify and assess the risks faced by the Group and thereafter, to implement and monitor appropriate internal controls to manage and mitigate those risks.</p> <p>The risk management and internal control framework is disclosed in Statement on Risk Management and Internal Control in the Annual Report 2023.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

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

### Practice 10.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board affirms its overall responsibility for the adequacy and effectiveness of the Group's risk management and internal control system. Effective risk management and internal control processes play a key role in the pursuit of the Group's business objectives and sustaining success.</p> <p>The key elements of the risk management and internal control are set out in the Statement on Risk Management and Internal Control in the Annual Report 2023.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**Intended Outcome**

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

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

**Practice 10.3 - Step Up**

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

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

### Intended Outcome

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

### Practice 11.1

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Group's independent Internal Audit function is performed by the external independent consulting firms (" <b>Internal Auditors</b> "). The Internal Auditors have direct access to both the Audit Committee and Risk Management Committee, and reports to the Audit Committee and Risk Management Committee on all matters of internal control and audit.  Details of the Internal Audit function are set out in the Audit Committee Report in the Annual Report 2023.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

### Practice 11.2

The board should disclose–

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Internal audit functions of the Company is outsourced to Messrs Finfield Corporate Services Sdn Bhd. The internal auditors are free from any relationships of conflict of interest which could impair their objectivity and independence.</p> <p>The number of staff deployed for the internal audit reviews were two (2) per visit. The staff involved in the internal audit reviews possess professional qualifications and/ or a university degree. The Chief Audit Executive, Mr. Tan Yen Yeow is a member of The Institute of Internal Auditors Malaysia. He has diverse professional experience in internal audit, risk management and corporate governance advisory. He is also a member of the Malaysian Institute of Accountants.</p> <p>The approach adopted by the internal audit function is in line with the standards set out in the International Professional Practices Framework of the Institute of Internal Auditors.</p>
<b>Explanation for departure</b>	:	  
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 12.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	Information is made available to the shareholders and investors through the Annual Reports, the various disclosures and announcements made to Bursa Securities and the Company's corporate website at <a href="http://www.jhm.net.my">www.jhm.net.my</a> . The Annual General Meeting and / Extraordinary General Meeting provides the principal platform for dialogue and interactions with the shareholders.  For more details, please refer to the Corporate Governance Overview Statement in the Annual Report 2023.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 12.2**

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

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

**Intended Outcome**

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

**Practice 13.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Company has dispatched its notice of Eighteenth AGM to shareholders at least 28-days before the AGM held on 31 May 2023. The adequate time given to shareholders allows them to make necessary arrangements to attend and participate either in person, by corporate representative, by proxy or by attorney.</p> <p>The notice of the AGM includes details of the resolutions proposed along with background information and reports or recommendations that are relevant.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 13.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>All the Directors of the Company attended the Eighteenth Annual General Meeting of the Company held on 31 May 2023.</p> <p>The Board took note that the presence of all directors in the Annual General Meeting will provide opportunity for shareholders to effectively engage each director. Besides, having the chair of board subcommittees present facilitates these conversations and allow shareholders to raise questions and concerns directly to those responsible.</p> <p>Barring unforeseen circumstances, all Directors as well as the Chairman of respective Board Committee (i.e. ACRMC, NC and RC) will present at the forthcoming Annual General Meeting of the Company to enable the shareholders to raise questions and concerns directly to those responsible.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 13.3**

Listed companies should leverage technology to facilitate–

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Company’s general meetings have always been held at a venue which is easily accessible.</p> <p>Shareholders are entitled to appoint proxy/proxies to vote on their behalf in their absence at general meetings.</p> <p>All polls conducted since year 2018 were voted upon electronically.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



### Intended Outcome

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

### Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>All Directors including the Chairman of respective Board Committee (i.e. Audit Committee and Risk Management Committee, Nomination Committee and Remuneration Committee), the Group's external auditors and Company Secretaries attended 18<sup>th</sup> AGM to engage directly with the shareholders. The Executive Directors answered queries or issues raised by shareholders relating to Group's financial performance and business operations.</p> <p>The Chairman of the meeting also plays a pivotal role in fostering constructive dialogue between shareholders and the Board. The Chairman provided sufficient time to shareholders to raise questions and assigned the Executive Directors to answer their concern and questions raised accordingly.</p> <p>There was active participation by the shareholders with questions covering the Group's financial and non-financial performance answered.</p>
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

**Intended Outcome**

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

**Practice 13.5**

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>	
<b>Application</b> :	Not applicable – only physical general meetings were conducted in the financial year
<b>Explanation on application of the practice</b> :	
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

**Intended Outcome**

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

**Practice 13.6**

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The Minutes of the 18 <sup>th</sup> AGM held on 31 May 2023 (“Minutes”) was prepared by the Company Secretary after the meeting. The Minutes was confirmed and signed by the Chairman, as a correct record of the proceedings thereat.  A copy of the Minutes was uploaded on the Company’s website at <a href="http://www.jhm.net.my">www.jhm.net.my</a> .
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

**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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