

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0132
COMPANY NAME : TECHNODEx BHD. (“TDEX” or “the Company”)
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 ("the Board") collectively leads and is responsible for the performance and affairs of the Group, including practicing a high level of good governance. All Board members are expected to show good stewardship and act professionally as well as upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.</p> <p>The Board has the responsibility of leading and directing the Group towards realising long-term corporate objectives and increasing shareholders' value. The Board retains full and effective control of the Group's strategic plans, implements an appropriate system of risk management and ensures the adequacy and integrity of the Group's system of internal control.</p> <p>Broadly, the Board assumes the following principal responsibilities in discharging its fiduciary and leadership functions:</p> <ul style="list-style-type: none">• Reviewing and adopting a strategic plan for the Group, including addressing the Group's business strategies on promoting sustainability.• Overseeing the conduct of the Group's business, and evaluating whether or not its businesses are being properly managed.• Identifying principal business risks faced by the Group and ensuring the implementation of appropriate internal controls and mitigating measures to address such risks.• Ensuring that all candidates appointed to the Board are of sufficient calibre, including having in place a process to provide for the orderly succession of the members of the Board.

	<ul style="list-style-type: none"> • Overseeing the development and implementation of an investor relations programme and stakeholder communications policy. • Reviewing the adequacy and integrity of the Group’s internal control and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines. <p>The Board has also delegated certain responsibilities to the following committees to assist in the execution of its responsibilities within their respective Terms of Reference (“TOR”):</p> <p>(a) Audit Committee; and (b) Nomination and Remuneration Committee.</p> <p>In order to inculcate good values and ethical standards, the Board has also established a Code of Ethics and Conduct which serves as an internal frame of reference for the Directors and employees of the Group in the conduct of their daily activities. The Code of Ethics and Conduct is incorporated in the Board Charter of the Company.</p> <p>The Board Charter and TOR of the respective committees are available on the Company’s corporate website at www.technodex.com.</p>
Explanation for departure :	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the Board, YTM Dato' Seri DiRaja Tan Sri Tengku Abdul Hamid Thani Ibni Almarhum Sultan Badlishah, holds the Non-Independent Non-Executive position and is primarily responsible for the leadership, effectiveness, conduct and governance of the Board. The responsibilities of the Chairman have been clearly specified in the Board Charter.</p> <p>The responsibilities of the Chairman, amongst others, include the following:</p> <ul style="list-style-type: none">• To provide leadership to the Board.• To examine the public image of the organisation and establish plans and programme to improve TDEX and its subsidiaries ("the Group") in every way.• To oversee ethical business practices and adherence to the Group's mission statement.• To oversee the effective discharge of the Board's supervisory role.• To facilitate the effective contribution of all Directors.• To conduct and chair Board Meetings and General Meetings of the Company.• To manage Board communications and Board effectiveness and effective supervision over Management.• To ensure that quality information to facilitate decision-making is delivered to the Board in a timely manner.• To ensure Board Meetings and General Meetings comply with good conduct and best practices.• To ensure adequate time is allocated during Board Meetings for discussion of issues tabled to the Board for deliberation.• To promote constructive and respectful relations between Board members and between the Board and the Management.

	<ul style="list-style-type: none"> • Together with the Executive Directors, represents the Company and/or the Group to external groups such as shareholders, creditors, consumer groups, local communities and federal, state, and local governments. 	
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 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The positions of the Chairman and Executive Directors are distinct and separate to ensure that there is a balance of power and authority.</p> <p>The Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board while the Executive Directors have overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions.</p> <p>The Executive Directors of the Company are accountable to the Board for the overall organisation, management, and staffing of the Company and/or Group and for the procedures in financial and other matters, including conduct and discipline.</p> <p>The respective duties and responsibilities of the Chairman and Executive Directors are set out in the Board Charter, which is available on the Company's corporate website at www.technodex.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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	: The Chairman of the Board, YTM Dato' Seri DiRaja Tan Sri Tengku Abdul Hamid Thani Ibni Almarhum Sultan Badlishah ("Tengku Chairman") is not a member of the Audit Committee ("AC") and Nomination and Remuneration Committee ("NRC"). Tengku Chairman was invited to the AC and NRC Meetings to provide inputs for the matters discussed during the meetings. However, he did not participate in the decision making of the proposals and matters tabled for approval during the AC and NRC Meetings.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	: Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	: Choose an item.

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by two (2) qualified and experienced Company Secretaries, who are qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016 ("Act") and also are registered holders of the Practising Certificate issued by the Companies Commission of Malaysia.</p> <p>The Company Secretaries play an important role in facilitating overall compliance with the Act, ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and other relevant laws and regulations. The Company Secretaries also assist the Board and Board Committees to function effectively and in accordance with their TOR and best practices and ensure adherence to the existing Board policies and procedures. In order to discharge the roles effectively, the Company Secretaries have been continuously attending the necessary training programmes, conferences, seminars and/or forums so as to keep themselves abreast with the latest developments in the corporate governance realm and changes in regulatory requirements that are relevant to their profession and enable them to provide the necessary advisory role to the Board.</p> <p>The Board has direct access to the professional advice and services of the Company Secretaries when performing their duties and discharging their responsibilities.</p> <p>During the financial year ended 30 June 2023 ("FYE 2023"), all the Board and Board Committees meetings were properly convened, and accurate and proper records of the proceedings and resolutions passed were taken and maintained in the statutory records of the Company.</p> <p>Overall, the Board is satisfied with the service and support rendered by the Company Secretaries and her team to the Board in the discharge of her functions.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>To facilitate the Directors' time planning, an annual meeting calendar is prepared and circulated in advance prior to the new calendar year by the Company Secretaries. The meetings calendar provides the Directors with scheduled dates for meetings of the Board and Board Committees as well as the Annual General Meeting ("AGM"). The closed periods for dealings in securities by Directors and principal officers based on the scheduled dates of meetings for making announcements of the Group's quarterly results were also provided therein.</p> <p>The Notices of Board meetings are sent to the Directors at least five (5) working days prior to the date of meetings. This is to ensure sufficient time for all Board members to review and deliberate on such matters accordingly and, where required, to obtain further information and clarification to facilitate well-informed decision-making during the meeting.</p> <p>The Management and other advisers are invited to attend the meeting to report and brief on their respective areas of responsibility if required.</p> <p>The deliberations and conclusions of matters discussed in the Board or Board Committees meetings are duly recorded in the minutes of meetings. The draft minutes are circulated to the Chairman of the Board and Board Committees for review within a reasonable timeframe after the meeting. The meeting minutes accurately captured the deliberations and decisions of the Board and/or the Board Committees, including whether any Director abstains from voting or deliberating on a particular matter.</p> <p>All the records of proceedings and resolutions passed are kept at the registered office of the Company.</p> <p>For matters which require the Board's decision on an urgent basis outside of Board Meetings, relevant supporting documents along with the Directors' Written Resolution will be circulated for the Board's consideration. All written resolutions approved by the Board will be tabled for notation at the next Board Meeting.</p>

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

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. The Board Charter is intended to identify the role, structure and processes related to the key governance activities of the Board. It also serves as a reference point for Board activities. It is designed to provide guidance and clarity to Directors and Management with regard to the roles of the Boards and its Board Committees, the role of the Chairman and the Executive Directors, the requirements of Directors in carrying out their roles and in discharging their duties towards the Company as well as the Board's operating practices.</p> <p>The Board Charter would be reviewed as and when necessary to ensure it remains consistent with the Board's objectives and responsibilities and reflects the latest compliance requirements as a result of changes in the regulatory framework.</p> <p>The Board Charter is available on the Company's corporate website at www.technodex.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has adopted a Code of Ethics and Conduct which was incorporated in the Board Charter of the Company. The Code of Ethics and Conduct is observed by all Directors and employees of the Group and is available on the Company's corporate website at www.technodex.com</p> <p>All Directors and employees of the Group must endeavour to observe the Code of Ethics and Conduct which provides guidance as to the ethical conduct to be complied with to uphold the principles of honesty and integrity as well as to ensure that a high standard of ethical and professional conduct is upheld in the performance of their duties and responsibilities.</p> <p>The Board will review the Code of Conduct and Ethics from time to time to ensure that it continues to remain relevant and appropriate.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group had adopted a Whistle Blowing Policy which is published on the Company's corporate website at www.technodex.com.</p> <p>The Whistle Blowing Policy aims to achieve the following:</p> <ul style="list-style-type: none"> • To encourage and develop a culture of openness, accountability and integrity. • To provide avenues for employees to raise genuine concerns or allegations through the appropriate channels upon discovery of possible misconduct. • To ensure the protection to an individual who reports the concern or allegation in good faith in accordance with the procedures. • To enable the Management to be informed at an early stage about acts of misconduct. <p>The Board will continue to review and update the Whistle Blowing Policy as and when necessary to ensure that they continue to remain relevant and appropriate.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledged the importance of incorporating sustainability considerations into the Company's business and corporate activities, and how sustainability is essential to successful business strategies that could deliver sustainable value to all stakeholders and ultimately boost the business performance of the Company.</p> <p>The Board together with the Management takes responsibility for the governance of sustainability in the Company, including setting the Company's sustainability strategies, priorities and targets. Performance against these clearly set out targets are communicated to the Company's internal and external stakeholders.</p> <p>As part of the efforts in promoting and building sustainability momentum within the Group, the Group had undertaken the following measures:</p> <ul style="list-style-type: none">a) Environmental – ensure the operations are environmentally responsible and that adequate steps are taken to protect and effectively manage risks that may adversely impact the surrounding environment.b) Economic – committed in maintaining the highest standard of integrity and corporate governance in order to maintain excellence across the businesses.c) Social – be a responsible corporate citizen by constantly re-assessing the Group's activities and business model to ensure a positive impact at the workplace and in the community.
Explanation for departure	:	

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

Intended Outcome

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

Practice 4.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board is cognisant of the fact that the Company’s internal and external stakeholders should receive an unfiltered and complete view of the Company’s sustainability strategies, priorities, targets and overall performance. This information should be comprehensive and include information on which stakeholders would be able to assess the Company’s sustainability risks and opportunities.</p> <p>The Company has engaged with stakeholders in a variety of ways which had been done at both the business units and group levels through formal and informal activities. The collective opinions and insights from the stakeholders help the Board make an informed decision while aligning the stakeholders’ expectations with the Company’s sustainability priorities and business approach.</p> <p>Details pertaining to the stakeholders’ engagement are available in the Sustainability Statement in the Annual Report 2023 for FYE 2023 (“Annual Report 2023”).</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board through the NRC assessed the training programmes attended by each Director during the financial year to ensure they stay abreast with the latest developments in the industry as well as the sustainability issues relevant to the Group, including factors that are driving climate change, sustainable finance and achieving a sustainable business model.</p> <p>The key training programmes attended by all Directors for the FYE 2023 are set out in the Corporate Governance Overview Statement of Annual Report 2023.</p> <p>The Company Secretaries regularly update the Board on the changes of the Listing Requirements and/or other regulatory requirements upon receiving the circulars from Bursa Securities and/or other regulators, which are relevant to the Company and provide advice on corporate disclosures and compliance issues.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board and the Senior Management have performed their respective roles in addressing material sustainability risks and opportunities.</p> <p>The performance evaluation of the Board in addressing the Group’s strategic and business plans which promote sustainability materials matters was evaluated through the annual Board’s effectiveness evaluation for the FYE 2023.</p> <p>Whereas for the Senior Management team, it is part of their key performance indicators which are reviewed annually.</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 NRC 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 Independent Non-Executive Directors.</p> <p>The effectiveness of the Board as a whole and the contribution of each Director to the effectiveness of the Board and the contribution of the Board's various committees will be assessed on an annual basis.</p> <p>The Board acknowledges the amendments made by Bursa Securities on 19 January 2022 to the Listing Requirements. These amendments state that the cumulative tenure of an Independent Non-Executive Director shall not exceed twelve (12) years effective from 1 June 2023. Furthermore, if the Board wishes to retain an Independent Non-Executive Director who has served for more than nine (9) years, it must justify its decision and seek the shareholders' approval through a two-tier voting process at a general meeting as recommended by the Malaysian Code on Corporate Governance ("MCCG").</p> <p>During the financial year under review, Mr. Steven Wong Ching Fung ("Mr. Steven Wong"), who has served the Board as an Independent Non-Executive Director for over 12 years, stepped down from his role on 26 May 2023. Save for Mr. Steven Wong, none of our Directors have served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years.</p> <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>In addition, the Directors' Fit and Proper Policy serves as a guide to NRC and the Board for the appointment and re-election of Directors of the Group. The Directors' Fit and Proper Policy is available on the Company's corporate website at www.technodex.com.</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 5.2

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

Application	:	Departure																		
Explanation on application of the practice	:																			
Explanation for departure	:	<p>The current Board composition of the Company represents a mix of knowledge, skills and expertise which assist the Board in effectively discharging its stewardship and responsibilities. The Board currently consists of eight (8) members as follows:-</p> <table border="1"><thead><tr><th>Name</th><th>Designation</th></tr></thead><tbody><tr><td>YTM Dato' Seri DiRaja Tan Sri Tengku Abdul Hamid Thani Ibni Sultan Badlishah <i>(Redesignated on 22 September 2023)</i></td><td>Non-Independent Non-Executive Chairman</td></tr><tr><td>Peh Lian Hwa</td><td>Non-Independent Non-Executive Deputy Chairman</td></tr><tr><td>Tan Sze Chong</td><td>Executive Director</td></tr><tr><td>Koay Xing Boon</td><td>Executive Director</td></tr><tr><td>Tan Boon Wooi</td><td>Non-Independent Non-Executive Director</td></tr><tr><td>Datuk Abd Hamid Bin Abu Bakar</td><td>Independent Non-Executive Director</td></tr><tr><td>Saifulrizam Bin Zainal</td><td>Independent Non-Executive Director</td></tr><tr><td>Fairuz Kartini Binti Ahmad <i>(Appointed on 31 May 2023)</i></td><td>Independent Non-Executive Director</td></tr></tbody></table> <p>The current Board composition does not conform to the MCGG best practice where at least half of the Board comprises Independent Directors.</p> <p>Notwithstanding the above, the Board comprises 37.5% Independent Directors. This provides an effective check and balance in the functioning of the Board and complies with Rule 15.02 of the Listing Requirements of Bursa Securities, which requires at least two (2) Directors or one-third (1/3) of the Board, whichever is the higher, are Independent Directors.</p> <p>The Board is of the view that the Independent Non-Executive Directors have fulfilled their role as Independent Directors through objective</p>	Name	Designation	YTM Dato' Seri DiRaja Tan Sri Tengku Abdul Hamid Thani Ibni Sultan Badlishah <i>(Redesignated on 22 September 2023)</i>	Non-Independent Non-Executive Chairman	Peh Lian Hwa	Non-Independent Non-Executive Deputy Chairman	Tan Sze Chong	Executive Director	Koay Xing Boon	Executive Director	Tan Boon Wooi	Non-Independent Non-Executive Director	Datuk Abd Hamid Bin Abu Bakar	Independent Non-Executive Director	Saifulrizam Bin Zainal	Independent Non-Executive Director	Fairuz Kartini Binti Ahmad <i>(Appointed on 31 May 2023)</i>	Independent Non-Executive Director
Name	Designation																			
YTM Dato' Seri DiRaja Tan Sri Tengku Abdul Hamid Thani Ibni Sultan Badlishah <i>(Redesignated on 22 September 2023)</i>	Non-Independent Non-Executive Chairman																			
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	<p>participation in Board deliberations and the exercise of unbiased and independent judgement.</p> <p>The Board operates in a manner that ensures the Directors exercise independent judgement and decisions made by the Board are in the best interests of the Company.</p> <p>In addition, to ensure adequate checks and balances, all the Board Committees of the Company are chaired by an Independent Non-Executive Director and the composition of the Board Committees comprises all Independent Non-Executive Directors.</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied	
Explanation on application of the practice	:	There are no Independent Directors serving the Board beyond a cumulative term of nine (9) years on the Board of the Company.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 - Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is of the view that it is important to recruit and retain the best available talent regardless of gender, ethnicity and age to maximise the effectiveness of the Board.</p> <p>In any appointment, a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge have been considered to maintain a diversified Board and Senior Management team, which will help to grow and contribute to better governance within the Group.</p> <p>The NRC is responsible for leading the process for the nomination of new candidates for appointment and making the necessary recommendations to the Board. In this respect, the role of the NRC is detailed in its TOR, which is accessible on the Company's corporate website at www.technodex.com.</p> <p>In making its recommendations to the Board, the NRC considers and assesses the suitability of a new appointment based on objective criteria, including:</p> <ul style="list-style-type: none">• Qualification;• Required competencies, skills, expertise and experience;• Specialist knowledge or technical skills;• Professionalism and integrity; and• Time commitment to the Company based on the number of directorships held. <p>Likewise, the Directors are also required to notify the Chairman of the Board before accepting any new directorship and to indicate the time expected to be spent on the new appointment. The Directors must not hold more than five (5) directorships in listed companies to enable Directors to have sufficient time to focus and fulfil their roles and responsibilities effectively.</p>

	The Board had adopted the Directors' Fit and proper Policy to ensure a transparent and rigorous process for the appointment and re-election of directors of the Group. This Policy is accessible on the Company's corporate website at www.technodex.com .	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The primary responsibility of screening, evaluating and nominating new Board member(s) for the appointment is delegated to the NRC.</p> <p>The members of the Board are to be appointed in a formal and transparent practice as endorsed by the MCCG. The NRC will scrutinise the candidates and recommend the same for the Board's approval. In discharging this duty, the NRC will assess the suitability of an individual by taking into account the individual's mix of skill, functional knowledge, expertise, experience, professionalism, integrity and/or other commitments that the candidate can bring to complement the Board.</p> <p>In searching for suitable candidates, the NRC may leverage on various sources and gain access to a wider pool of potential candidates. Besides the recommendation from the existing Board members, management and major shareholders, the NC also refers to the potential candidates from the industry taking into consideration their education background, skills and experience.</p> <p>During the FYE 2023, Pn. Fairuz Kartini Binti Ahmad was appointed to the Board on 31 May 2023. The NRC has not utilised independent sources to identify the new Director appointed as the NRC and Board are satisfied that Pn. Fairuz Kartini Binti Ahmad is a suitable candidate after an assessment of his qualifications, skills and expertise was conducted.</p> <p>The Board will consider referrals from external sources to identify suitably qualified candidates when the need arises in the future and will not solely rely on recommendations from existing Board members, Management and/or major shareholders.</p>

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

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 performance of retiring Directors recommended for re-election at the Eighteenth AGM ("18th AGM") has been assessed through the NRC annual evaluation (including the independence of the Independent Non-Executive Director) and recommended to the Board for approval.</p> <p>The profiles of the Directors who were due for retirement and offered themselves for re-election, which included the nature of interest with the Company, whichever applicable, were set out in the Annual Report 2023 of the Company.</p> <p>Whilst for the retiring Directors for the forthcoming 19th AGM, a statement by the Board and NRC being satisfied with the performance and effectiveness of the retiring Directors who offered themselves for re-election at the forthcoming 19th AGM was stated in the notes accompanying the Notice of 19th AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The NRC is chaired by an Independent Non-Executive Director, Datuk Abd Hamid Bin Abu Bakar. The details/profile of the NRC Chairman is 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

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	During the financial year under review, the Board comprises eight (8) Directors, out of whom one (1) is a female Director, representing 12.50% female representation in the Board composition.	
		Women's representation on the Board and in senior management will be taken into consideration when vacancies arise and suitable candidates are identified, underpinned by the overriding primary aim of selecting the best candidate to support the achievement of the Company's strategic objectives.	
		The Board recognises the importance of diversity and inclusivity in its decision-making process, and thus, has identified the inclusion of more female Directors as a long-term goal. To ensure the successful implementation of this objective, the Board will take incremental steps and establish practical measures within a reasonable timeframe.	
<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	:	Applied	
Explanation on application of the practice	:	<p>The Board had formalised and adopted a Gender Diversity Policy which provides a framework for the Company to improve its gender diversity at the Board level.</p> <p>The Board is supportive of gender diversity in the Board composition and Senior Management as recommended by the MCCG and will endeavour to continuously identify and assess suitably qualified female candidates for nomination.</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

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 Company has in place a formal process for assessment of the effectiveness of the Board and the Board Committees as a whole and the contribution by each Director, including the independence of the Independent Non-Executive Director to the effectiveness of the Board and Committees, making reference to the guides available and the good corporate governance compliance.</p> <p>The assessment of the Board and Board Committees is performed on a Board review basis whilst the assessment of the individual Directors is performed on a peer review basis. Each Director is provided with the assessment forms for their completion prior to the meeting. The results of all assessments and comments by the Directors are summarised and deliberated in the NC meeting and thereafter the NRC's Chairman will report the results and deliberation to the Board.</p> <p>The annual assessment criteria of the Board and Board Committees and individual Directors were updated to stay aligned with the MCCG. The areas covered in the aforesaid annual assessment criteria are as follows:-</p> <table border="1"> <thead> <tr> <th>Evaluation</th> <th>Assessment Criteria</th> </tr> </thead> <tbody> <tr> <td>Board and Board Committees as a whole</td> <td> <ul style="list-style-type: none"> • Role of the Chairman and Managing Director/Executive Director • Board balance, size and composition • Board structure and procedures • Relationship of the Board to Management • Quality and supply of information to the Board/Board's Committees • Access to information & advice </td> </tr> </tbody> </table>	Evaluation	Assessment Criteria	Board and Board Committees as a whole	<ul style="list-style-type: none"> • Role of the Chairman and Managing Director/Executive Director • Board balance, size and composition • Board structure and procedures • Relationship of the Board to Management • Quality and supply of information to the Board/Board's Committees • Access to information & advice
Evaluation	Assessment Criteria				
Board and Board Committees as a whole	<ul style="list-style-type: none"> • Role of the Chairman and Managing Director/Executive Director • Board balance, size and composition • Board structure and procedures • Relationship of the Board to Management • Quality and supply of information to the Board/Board's Committees • Access to information & advice 				

		<ul style="list-style-type: none"> • Accountability for financial reporting, internal control and sustainability risk and opportunities • Relation with Auditors / Shareholders / Investors • Use of Board Committees • Directors' training
	AC	<ul style="list-style-type: none"> • Composition and quality • Oversight of the financial reporting process, including internal controls • Understanding the business, including risk and control environment • Access to information & advice • Oversight of audit functions • Compliance with corporate governance • External Auditors • Staying abreast on issues • Report and recommendations
	Executive Directors	<ul style="list-style-type: none"> • Financial • Strategic and sustainability • Product development • Conformance & compliance • Stakeholders' relations • Employees training and development • Succession planning • Personal input to the role
	Non-Executive Director/ Chairman	<ul style="list-style-type: none"> • Attendance at Board and Board Committees' meetings • Adequate preparation for Board and/or Board Committees' meetings/Key responsibilities of the Chairman • Regular contribution to Board/Board Committee meetings • Personal input to the role
	<p>The evaluations undertaken by the NRC during the FYE 2023 are as summarised below:</p> <p>(a) Evaluated the balance of skills, knowledge and experience of the Board. Carried out the assessment and rating of each Director's performances against the criteria as set out in the annual assessment form. The performance of Non-Executive Directors was also carefully considered, including whether he could devote sufficient time to the role.</p>	

	<ul style="list-style-type: none"> (b) Undertaken an effectiveness evaluation exercise of the Board and its Committees as a whole with the objective of assessing its effectiveness. (c) Reviewed and assessed the independence of the Independent Directors of the Company. (d) Reviewed and assessed the performance of AC. (e) Assessed and recommended the re-election of Directors who were due to retire at the AGM pursuant to the Company's Constitution, to the Board for recommendation to the shareholders for approval. (f) Reviewed and evaluated the independence of the Independent Director who has served the Board for a cumulative term of more than nine (9) years pursuant to the MCGG.
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 Board had through NRC, established a formal and transparent Remuneration Policy as a guide for the Board and the NRC to determine the remuneration of Directors and/or Senior Management of the Company, which takes into account the demands, complexities and performance of the Company as well as skills and experience required.</p> <p>The Remuneration Policy is available on the Company's corporate website at www.technodex.com.</p> <p>The Board will determine the level of remuneration of Board Members, taking into consideration the recommendations of the NRC for Executive Directors. The remuneration of the Executive Directors is rewarded on performance based.</p> <p>The Non-Executive Directors of the Company will be paid a basic fee as ordinary remuneration based on their responsibilities in Committees and the Board, their attendance and/or special skills and expertise they bring to the Board. The fee shall be fixed in sum and not by a commission on or percentage of profits or turnover.</p> <p>Each Director shall abstain from the deliberation and voting on matters pertaining to their own remuneration.</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 7.2

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 NRC comprises the following members, all being Independent Non-Executive Directors: -</p> <ul style="list-style-type: none">• Datuk Abd Hamid Bin Abu Bakar, Chairman• En. Saifulrizam Bin Zainal, Member• Pn. Fairuz Kartini Binti Ahmad, Member <p>The NRC is principally responsible for assessing and reviewing the Remuneration Policy for the Directors of the Company. The NRC also seeks to ensure that the remuneration packages are commensurate with the expected responsibility and contribution by the Directors and subsequently recommend to the Board for adoption.</p> <p>Each Director shall abstain from the deliberation and voting on matters pertaining to their own remuneration.</p> <p>The TOR of the NRC is published on the Company's corporate website at www.technodex.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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 detailed disclosure on a named basis for the remuneration of individual Directors for the FYE 2023 is set out below and also in the Corporate Governance Overview Statement of the Annual Report 2023.

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	YTM Dato' Seri DiRaja Tan Sri Tengku Abdul Hamid Thani Ibni Sultan Badlishah	Non-Executive Non-Independent Director	120	-	-	-	-	-	120	120	-	-	-	-	-	120
2	Peh Lian Hwa	Non-Executive Non-Independent Director	120	-	-	-	-	-	120	120	-	-	-	-	-	120
3	Tan Sze Chong	Executive Director	-	-	240	-	-	-	240	-	-	240	-	-	-	240
4	Koay Xing Boon	Executive Director	-	-	220	-	-	-	220	-	-	220	-	-	-	220
5	Tan Boon Wooi	Non-Executive Non-Independent Director	30	-	-	-	-	-	-	30	-	-	-	-	-	30
6	Datuk Abd Hamid Bin Abd Bakar	Independent Director	30	-	-	-	-	-	30	30	-	-	-	-	-	30
7	Saifulrizam Bin Zainal	Independent Director	30	-	-	-	-	-	30	30	-	-	-	-	-	30
8	Fairul Kartini Binti Ahmad <i>(Appointed on 31 May 2023)</i>	Independent Director	2.5	-	-	-	-	-	2.5	2.5	-	-	-	-	-	2.5
9	Steven Wong Chin Fung <i>(Resigned on 26 May 2023)</i>	Independent Director	27.5	-	-	-	-	-	27.5	27.5	-	-	-	-	-	27.5
10	Heng Ling Jy <i>(Resigned on 15 December 2022)</i>	Executive Director	-	-	140	-	-	-	140	-	-	140	-	-	-	140

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	:	Due to confidentiality and sensitivity of the remuneration packages of Senior Management as well as security concerns, the Board views that the disclosure of the remuneration of Senior Management would not be in the best interest of the Company given the competitive human resources environment and may give rise to recruitment and talent retention issues.
		The remuneration of the Key Senior Management commensurates with their duties, responsibilities, experience, performance and contribution in order to retain and motivate them to contribute positively to the performance of the Group.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	Chairman of the AC - En. Saifulrizam Bin Zainal, Independent Non-Executive Director Chairman of the Board - YTM Dato’ Seri DiRaja Tan Sri Tengku Abdul Hamid Thani Ibni Almarhum Sultan Badlishah, Non-Independent Non-Executive Chairman The positions of Board Chairman and AC Chairman are assumed by different individuals which allows the Board and AC to objectively review their findings and recommendations. This is also to ensure that the Board’s review of the AC’s findings and recommendations are not impaired.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company recognised the need to uphold the independence of its external auditors and that no possible conflict of interest whatsoever should arise. Currently, AC comprises three (3) members and none of the members were former key audit partners of the external auditors appointed by the Company. The Company will observe a cooling-off period of at least three (3) years in the event any potential candidate to be appointed as a member of the AC is a key audit partner of the external auditors of the Group.</p> <p>The requirement for a former key audit partner of the external audit firm to observe a cooling off period of at least three (3) years before being appointed as a member of the AC has been incorporated as part of the TOR of the AC.</p> <p>For the FYE 2023, none of the AC members were former key audit partners.</p> <p>The TOR of the AC is available on the Company's corporate website at www.technodex.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established the External Auditors Assessment Policy ("EA Assessment Policy") together with an annual assessment form. The EA Assessment Policy outlines the guidelines and procedures for the AC to review, assess and monitor the performance, suitability and independence of the External Auditors.</p> <p>The External auditors are precluded from providing any services that may impair their independence or conflict with their role as External Auditors.</p> <p>The AC had obtained assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</p> <p>The AC had carried out an annual performance assessment of the External Auditors and may request the Executive Directors and/or Group Financial Controller to join the assessment.</p> <p>The annual evaluation form provides a checklist for the AC to carry out a formal review of the independence, effectiveness and efficiency of the External Auditors of the Company.</p> <p>The Board, upon the recommendation of the AC, had recommended the re-appointment of the External Auditors for the financial year ending 30 June 2024 for shareholders' approval at the forthcoming 19th AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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>The AC comprises three (3) members all of them being Independent Non-Executive Directors as detailed below:</p> <ul style="list-style-type: none">(a) En. Saifulrizam Bin Zainal (Chairman, Independent Non-Executive Director)(b) Datuk Abd Hamid Bin Abu Bakar (Member, Independent Non-Executive Director)(c) Pn. Fairuz Kartini Binti Ahmad (Member, Independent Non-Executive Director)

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 have the necessary skills to discharge their duties and are able to understand matters under the purview of the AC. The profiles of the AC members are provided in the Annual Report 2023. All the AC members had kept themselves abreast of relevant developments in accounting and auditing standards, practices ad rules. During the AC Meetings, the members were briefed by the External Auditors, CAS Malaysia PLT on the development or changes in applicable Malaysian Financial Reporting Standards, International Financing Reporting Standards and relevant accounting requirements under the Companies Act 2016.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board acknowledges its overall responsibility of maintaining a sound system of risk management and internal control, and for reviewing its adequacy and effectiveness. The Board has delegated the responsibility for reviewing the adequacy and effectiveness of the risk management and internal control systems to the AC.</p> <p>The information on risk management and internal control is set out in the Statement on Risk Management and Internal Control 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

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 Board acknowledges its responsibility for reviewing the adequacy and integrity of the Group’s risk management and internal control systems; identifying the principal risks in the Group; and establishing an appropriate control environment and framework to manage risks.</p> <p>Key elements of the Group’s risk management and internal control systems have been established to facilitate the proper conduct of the Group’s businesses.</p> <p>The Board is committed to maintain a strong control structure to facilitate the achievement of the Group’s business objectives. Internal controls have been designed to provide reasonable assurance that the likelihood of significant adverse impact on business objectives arising from an event is at an acceptable level to the Group. It is also designed to manage and control risks appropriately, rather than eliminate the risk of failure to achieve business objectives. Due to the inherent limitations in all control systems, these control systems can only provide reasonable and not absolute assurance.</p> <p>The information on risk management and internal control framework are set out in the Statement on Risk Management and Internal Control of the Annual Report 2023.</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 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>The internal audit function is outsourced to an independent professional consulting firm to carry out internal audit services for the Group.</p> <p>The Internal Auditors are precluded from providing any services that may impair their independence or conflict with their role as Internal Auditors.</p> <p>The AC obtained assurance from the Internal Auditors confirming that they are, and have been, independent throughout the conduct of the internal audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</p> <p>The AC shall carry out an annual performance assessment of the Internal Auditors. The annual evaluation form provides a checklist for the AC to carry out a formal review of the independence, effectiveness and efficiency of the Internal Auditors of the Company, among others, the following were some of the criteria reviewed by the AC:-</p> <ul style="list-style-type: none">(a) Calibre of the internal audit firm;(b) Quality of the internal audit engagement team;(c) Quality of communication and interaction with the internal auditors;(d) Internal audit scope and quality processes;(e) Audit Governance and independence; and(f) Internal audit fee. <p>The details of the internal audit function and activities during FYE 2023 are set out in the AC Report 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	:		
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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 internal audit function of the Group is outsourced to an independent service provider, namely Vaersa Advisory Sdn. Bhd.</p> <p>Mr. Quincy Gan Hoong Huat, the Executive Director of Vaersa Advisory Sdn. Bhd., is responsible for the internal audit of the Group.</p> <p>The internal audit assignment is led by Mr. Quincy Gan Hoong Huat. The internal audit review is staffed by 6 internal audit personnel including a Senior individual. The Internal Auditors team is free from any relationships with the Company or conflicts of interest. This will ensure that the internal audit function does not impair their objectivity and independence.</p> <p>The internal audit function has adopted the International Professional Practices Framework set by the Institute of Internal Auditors and ensures that staff are professionally guided and trained to develop the appropriate competencies to perform their duties during the internal audit review.</p> <p>The AC was satisfied with the competency, experience and resources of the internal audit function for discharging its role and responsibilities.</p> <p>Further details of the internal audit activities are disclosed in the AC Report and Statement on Risk Management and Internal Control of the Annual Report 2023 of the Company.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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 is committed to providing effective communication to its shareholders and the general public regarding the business, operations and financial performance of the Group and where necessary, information filed with regulators is in accordance with all applicable legal and regulatory requirements. Shareholders will receive regular communication from the Company through the release of announcements, quarterly reports, annual reports, and circulars to Bursa Securities.</p> <p>The Board has formalised and adopted a Corporate Disclosure Policy to promote comprehensive, accurate and timely disclosure pertaining to the Company and the Group's matters to regulators, shareholders and stakeholders.</p> <p>The Company's corporate website at www.technodex.com serves as one of the most convenient ways for shareholders and members of the public to gain access to corporate information, news, events, and announcements to Bursa Securities relating to the Group.</p> <p>The Board has also created an investor relation section on the Company's corporate website at www.technodex.com for information on corporate, financial, corporate governance and stock prices, which is accessible to the public.</p> <p>Besides, the AGM remains as a principal forum used by the Group for communication with its shareholders. The AGM provides an opportunity for the shareholders to seek and clarify any issues on the resolutions being proposed and also matters relating to the performance, developments within, and the future direction of the Group.</p> <p>Shareholders are encouraged to actively participate in the question-and-answer session. The Board, Senior Management and the External Auditors will be present to answer and provide appropriate clarifications at the AGM.</p>

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

Intended Outcome

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 notice of the 18th AGM of the Company held on 9 December 2022 was sent to the shareholders on 31 October 2022, which is more than 28 days prior to the date of the 18th AGM.</p> <p>The notice for convening the 19th AGM of the Company will be issued to the shareholders at least 28 days before the 19th AGM date, which gives shareholders sufficient time to prepare themselves to attend the 19th AGM or to appoint a proxy to attend and vote on their behalf.</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	:	Applied	
Explanation on application of the practice	:	<p>Given concerns surrounding the outbreak of COVID-19, the guidance issued by the Securities Commission Malaysia and the standard operating procedure regarding physical distancing issued by the Ministry of Health, the Company has conducted its 18th AGM by way of a virtual meeting through live streaming and online remote voting using the Remote Participation and Voting Facilities (“RPV”).</p> <p>All Directors and Chairman of the Board Committees were present to provide a response to questions posed by shareholders. The Senior Management and External Auditors were also in attendance to respond to the shareholders' queries.</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 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company's 18th AGM held on 9 December 2022 was held on a fully virtual basis and entirely via RPV facilities.</p> <p>This allows the shareholders to participate in the 18th AGM while at the same time, following the health guidance issued by the Government of Malaysia of not having a mass gathering and practicing social distancing to curb the spread of COVID-19. The conduct of meetings by way of fully virtual is also strongly encouraged by the Securities Commission Malaysia.</p> <p><u>Remote shareholders' participation in General Meetings</u> Shareholders can attend, participate, speak (including posing questions to the Company/Board of Directors) and vote remotely at the AGM without being physically present at the meeting venue. Shareholders may also appoint proxies to participate on his/her behalf by submitting the duly executed proxy form to the Company's share registrar in hard copy or by electronic means.</p> <p><u>Voting in absentia</u> For shareholders who are unable to attend the meetings remotely, they may exercise their voting rights by appointing the Chairman of the meeting as his/her proxy with a pre-determined proxy form.</p> <p>Shareholders will be allowed to cast their vote via an online platform from the time of the meeting until a time when the Chairman of the meeting announces the completion of the voting session.</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 13.4

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 :	<p>The Chairman ensures that the general meetings cater to an important opportunity for effective communication with, and constructive feedback from the shareholders.</p> <p>Shareholders were encouraged to submit their questions before the 18th AGM or post the questions using the query box facility during the 18th AGM. In addition, upon commencement of the 18th AGM, the Chairman duly advised the shareholders that they were allowed and encouraged to submit their questions or queries throughout the 18th AGM.</p> <p>The Company facilitates and encourages shareholder participation at its 18th AGM. These meetings provide an update for shareholders on their performance and offer an opportunity for shareholders to ask questions and vote. The Executive Directors read out and answered the relevant questions received.</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 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The Board has engaged the Company’s Share Registrar, Boardroom Share Registrar Sdn. Bhd. (“Boardroom”) for Registration and Electronic Poling Services for the 18th AGM held on 9 December 2022.</p> <p>The detailed procedures to participate in the meeting remotely were provided to the shareholders in the Administrative Notes of the 18th AGM sent through email and by ordinary post and the same was also published on the Company’s corporate website.</p> <p>Boardroom has in place a meeting platform that allows shareholders to participate online, using a smartphone, tablet or computer as well as view a live webcast of the meeting. Real time submission of typed texts is also available to encourage interactive participation from the shareholders.</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 13.6

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	: Departure
Explanation on application of the practice	:
Explanation for departure	: The minutes of the 18 th AGM were not circulated to the shareholders, however, the Summary of Key Matters Discussed at the 18 th AGM was published on the Company's corporate website at www.technodex.com
	: The Board will only circulate the Summary of Key Matters Discussed and published on the Company's corporate website at www.technodex.com . The Board believes that the Summary of Key Matters Discussed is sufficient for shareholders' information.
<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.

**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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