

CORPORATE GOVERNANCE REPORT

STOCK CODE : 2739
COMPANY NAME : Techna-X Berhad
FINANCIAL YEAR : December 31, 2022

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 Charter of Techna-X Berhad ("Techna-X" or "the Company") indicates that the Board of Directors ("Board") should provide leadership and vision to the Company to enhance shareowner value and ensure long-term sustainable development and growth of the Company.</p> <p>The Company and its subsidiaries ("the Group") are led by an experienced and effective Board that provides oversight, strategic direction, and entrepreneurial leadership to ensure the necessary resources are in place for the Group to meet its objective and achieve long-term sustainability.</p> <p>The Board consists of members from different backgrounds and with diverse expertise in leading and directing the Group's business operation.</p> <p>The Board has delegated certain responsibilities to the Board Committees, the Executive Directors, and the Management.</p> <p>The Board's primary responsibilities, include but not limited to giving strategic direction to the Company, identifying key risk areas and key performance indicators of the Company's business, monitoring investment decisions, considering significant financial matters, and reviewing the performance of executive management against business plans, budgets, and industry standards.</p> <p>The Board also assumes responsibility in the following areas: -</p> <ul style="list-style-type: none">(i) retain full and effective control over the Company, and monitor management in implementing Board plans and strategies;(ii) ensure that a comprehensive system of policies and procedures is operative;

	<p>(iii) identify and monitor non-financial aspects relevant to the business;</p> <p>(iv) ensure ethical behaviour and compliance with relevant laws and regulations, audit and accounting principles, and the Company's own governing documents and codes of conduct;</p> <p>(v) strive to act above and beyond the minimum requirements and benchmark performance against international best practices and not only comply in practice but be seen to comply;</p> <p>(vi) define levels of materiality, reserving specific powers to the Board and delegating other matters with the necessary written authority to management, and instituting effective mechanisms that ensure the Board's responsibility for management performance of its functions to determine whether the business is being properly managed;</p> <p>(vii) act responsibly towards the Company's relevant stakeholders; and</p> <p>(viii) together with the Senior Management, promote good corporate governance culture within the Company which reinforces ethical, prudent, and professional behaviour.</p> <p>For the financial year ended 31 December 2022 ("FY2022"), the Board has discharged the following principal duties and responsibilities on the affairs of the Group:-</p> <p>(i) reviewed and/or adopted the following policies/governance documents, which serve as a guide to strengthen the governance of the Company: -</p> <ul style="list-style-type: none"> • Revised Board Charter; • Revised Terms of Reference of Audit and Risk Management Committee ("ARMC"); • Revised Terms of Reference of Nomination Committee ("NC"); • Revised Terms of Reference of Remuneration Committee ("RC"); • Code of Ethics and Business Conduct; • Whistleblowing Policy; • Corporate Disclosure Policy; • Gender-Ethnicity-Age Diversity Policy; • Succession Planning Policy; • Personal Data Protection Policy; • Anti-Bribery and Anti-Corruption Policy; and • Fit and Proper Policy.
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	<ul style="list-style-type: none"> (ii) monitored the Management’s performance in implementing the business plans and strategies on a regular basis via the update in the Board meetings; (iii) quarterly reviewed of the financial performance of the Group; (iv) delegated to the ARMC to review the recurrent related party transactions of the Group; (v) delegated to the ARMC to review the adequacy and integrity of the Group’s internal controls and risk management; (vi) delegated to the NC to review the performance of the Board, Board Committees and individual Directors; (vii) reviewed and confirmed the minutes of the Board meetings to ensure the deliberation and decisions of the Board meetings were recorded accurately; (viii) through the NC, reviewed and approved the appointments of new Independent Non-Executive Director and Alternate Director of the Company; (ix) through the NC, reviewed and approved the reconstitution of the Board Committees; (x) reviewed and recommended the appointment of Messrs. HLB Ler Lum Chew PLT as Auditors of the Company in place of the retiring Auditors, Messrs. HLB AAC PLT; and (xi) reviewed and recommended the proposal in relation to the proposed share buy-back authority for the Company to purchase its own shares of up to 10% of the Company’s issued shares.
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.2

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

Application	: Applied
Explanation on application of the practice	<p>The Board is helmed by the Executive Chairman, Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar who strives to instil good corporate governance practices, demonstrates strong leadership and oversees the effectiveness of the Board.</p> <p>The Chairman's responsibilities, as stated in the Board Charter of the Company, are as follows: -</p> <ul style="list-style-type: none">• Responsible for representing the Board to the shareholders and indirectly to the general public for performance.• Responsible for the Board so that the Board can perform its responsibilities effectively.• Responsible for leading the Board in adopting and implementing good corporate governance practices in the Company.• Responsible for ensuring the integrity and effectiveness of the Board's governance process.• Ensure that the content and order of the agenda are appropriate and that the Board members have the relevant papers in good time.• Ensure that the Board members are properly briefed on issues arising at Board meetings and that all available information on an issue is before the Board.• Responsible for maintaining regular dialogue with the Chief Executive Officer ("CEO")/Managing Director ("MD") over all operational matters and will promptly consult with the remainder of the Board over any matter that gives him or her cause for major concern.• Act as a facilitator at Board meetings to ensure that no member, whether executive or non-executive, dominates the discussion, that appropriate discussion takes place, and that relevant opinion among members is forthcoming. In addition, the Chairman will ensure that discussions result in logical and understandable outcomes.• Between Board meetings, the Chairman shall maintain an informal link between the Board and the CEO/MD, expect to be kept informed by the CEO/MD on all important matters, and is available to the CEO/MD to provide counsel and advice where appropriate.• Lead the Board in its collective oversight of management.• Ensure that appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.

	During the FY2022, Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, the Chairman of the Board has provided effective leadership, strategic direction, and necessary governance to the Group.	
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 the MD are held by 2 different individuals. The Chairman is Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, while the MD is Mr. Liu Guodong. However, Mr. Liu Guodong had on 12 December 2022 resigned as the MD of the Company and hence, the business operation and governance of the Company are managed by the Executive Directors.</p> <p>The separate roles and responsibilities of the Chairman and MD are provided in the Board Charter of the Company, to ensure that there is a balance of power and authority as no one individual has unfettered decision-making powers.</p> <p>Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar being the Chairman of the Board is responsible for the Board's leadership, effectiveness and governance.</p> <p>The management of the Group's business and implementation of policies and day-to-day running of the business operations are delegated to the MD and Executive Directors.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 :	Applied
Explanation on application of the practice :	Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, the Executive Chairman is not a member of the ARMC, NC and RC of the Company. Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar also did not attend nor participate in any of the Board Committees' meetings as an invitee during the FY2022 to ensure there is check and balance as well as objective review by the Board on deliberations emanating from the Board Committees.
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 1.5

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 2 Company Secretaries who are qualified Chartered Secretaries under the Companies Act 2016 and are members of the Malaysian Association of the Institute of Chartered Secretaries and Administrators (“MAICSA”) with vast knowledge and experience from being in public practice.</p> <p>The Board members have ready and unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively.</p> <p>The Company Secretaries are responsible for advising the Board on compliance with the Companies Act 2016, the Company’s Constitution, adopted policies and procedures, and the relevant regulatory requirements, codes or guidance, and legislation (or any amendments thereto).</p> <p>In addition, the Board is regularly updated and apprised by the Company Secretaries, who are experienced, competent and knowledgeable, on the laws and regulations, as well as directives issued by the regulatory authorities from time to time.</p> <p>The Company Secretaries attend the Board and Board Committees meetings and ensure the meetings are properly convened and all deliberations are properly minuted and kept. The Company Secretaries also responsible for ensuring that accurate and proper records of the proceedings and resolutions passed are taken and maintained at the Company's registered office.</p> <p>The Company Secretaries’ primary responsibilities, which include but not limited to the following: -</p> <ul style="list-style-type: none">(i) manage all Board and Board Committee meeting logistics, attend and record minutes of all Board and Board Committee meetings and facilitate Board communications;(ii) advise the Board on its roles and responsibilities;(iii) assist in Director training and development;(iv) advise the Board on corporate disclosures and compliance with the Company’s Constitution as well as the Companies Act 2016,

	<p>Listing Requirements and Malaysian Code on Corporate Governance;</p> <p>(v) manage processes pertaining to the general meetings;</p> <p>(vi) monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations; and</p> <p>(vii) serve as a focal point for stakeholders' communication and engagement on corporate governance issues.</p> <p>The Company Secretaries had and will continue to constantly keep themselves abreast on matters concerning company law, the capital market, corporate governance, and other pertinent matters, and with changes in the same regulatory environment, through continuous training and industry updates. They have also attended many relevant continuous professional development programmes as required by the MAICSA for practicing chartered secretaries.</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

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>The annual meeting calendar is prepared and circulated for the Board's consent in advance of each new year. This facilitates the Directors' schedule and advance preparation for the meetings.</p> <p>Special meetings will be called if the deliberations on specific subject matters cannot be completed due to additional information required to reach any meaningful Board decision.</p> <p>The Board papers comprises the notice of meeting, agenda items, reports, and papers are issued to the Board members at least 7 days prior to the meetings. This is to accord sufficient time for the Directors to peruse the Board papers and to seek clarification and/or further information, where necessary, to be adequately informed before the meetings.</p> <p>All deliberations and decisions at the Board or Board Committee meetings are properly recorded in the minutes, including matters where the Directors abstained from deliberation and/or voting. In addition, the action items identified and highlighted during the meetings would be conveyed to the Management for their attention and action.</p> <p>The minutes of the Board and/or Board Committees meetings, which accurately reflect the deliberations and decisions of the Board or Board Committees, would be circulated to the Board or Board Committee members within a reasonable time upon conclusion of each meeting. The minutes are to be signed by the respective Chairman of the meetings as a correct record of the proceedings of the meetings based on confirmation from the Board or Board Committees members and thereafter entered into the minutes books kept and maintained at the Company's registered office. The matters that require further action by the Management would stay as matters arising in the minutes of meetings until they are resolved.</p> <p>The Executive Chairman has ensured that the Board Committee meetings were conducted separately from the Board meeting to enable objective and independent discussion during the 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 adopted a Board Charter and subsequently revised on 8 April 2022 that clearly defines the Board's and Board Committees' roles and responsibilities, composition, authority, matters reserved for the Board and processes related to key governance activities.</p> <p>The Board Charter of the Company regulates how business is to be conducted by the Board in accordance with the principles of good corporate governance. The Board Charter sets out the specific responsibilities to be discharged by the Board members collectively and the individual roles expected from them.</p> <p>The authority delegated to the Board Committees or the Management does not mitigate or dissipate the discharge by the Board of their duties and responsibilities. The Board Committees will only speak or act for the Board when so authorised. The authority conferred on a Board Committee will not derogate from the authority delegated to the CEO/MD by the Board.</p> <p>The Board also keeps itself abreast of the responsibilities delegated to each Board Committee and matters deliberated at each Board Committee meeting through the minutes of the Board Committee meetings and reports from the respective Chairman of the Board Committee, which are presented to the Board during Board meetings at the appropriate regular intervals.</p> <p>The Board Charter would be periodically reviewed and updated in accordance with the needs of the Company and any new regulation that may have an impact on the discharge of the Board's responsibilities.</p> <p>The Board Charter is available on the Company's corporate website at http://www.techna-x.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 Company has established a Code of Ethics and Business Conduct and subsequently reviewed on 8 April 2022 that is applicable to all Directors, Management and employees of the Group to ensure the trust and confidences of stakeholders are intact. The Company gains credibility by adhering to commitments, displaying honesty and integrity, and reaching goals solely through honourable conduct.</p> <p>The Code of Ethics and Business Conduct entails the following main areas: -</p> <ul style="list-style-type: none">• Build trust and credibility• Respect for the individual• Create a culture of open and honest communication• Set tone at the top• Uphold the law• Competition• Proprietary information• Selective disclosure• Health and safety• Conflicts of interest• Accurate public disclosures• Corporate recordkeeping• Promote substance over form• Accountability• Confidential and proprietary information• Use of the Company's resources• Media inquiries• Management• Suppliers and clients• Competitors• Employees

	<p>In line with the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018), the Company has adopted an Anti-Bribery and Anti-Corruption Policy and subsequently reviewed on 8 April 2022 to prevent corruption and bribery practices within the Group.</p> <p>The Code of Ethics and Business Conduct and the Anti-Bribery and Anti-Corruption Policy are available on the Company's corporate website at http://www.techna-x.com.</p>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

The 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 has established a Whistleblowing Policy and subsequently reviewed on 8 April 2022 as the Company is committed to the highest standard of integrity, openness, and accountability in the conduct of its businesses and operations. It aspires to conduct its affairs ethically, responsibly, and transparently.</p> <p>The Whistleblowing Policy provides an avenue for all employees of the Group and members of the public to disclose any misconduct or criminal offence including but not limited to the following: -</p> <ul style="list-style-type: none">(i) Fraud;(ii) Bribery;(iii) Abuse of Power;(iv) Conflict of Interest;(v) Theft or embezzlement;(vi) Misuse of the Company's Property;(vii) Non-compliance with Procedure. <p>A whistleblower will be accorded with protection of confidentiality of identity, to the extent reasonably practicable. In addition, an employee who whistleblows internally will also be protected against any adverse and detrimental actions for disclosing any improper conduct committed or about to be committed within the Group, to the extent reasonably practicable, provided that the disclosure is made in good faith. Such protection is accorded even if the investigation later reveals that the whistleblower is mistaken as to the acts and the rules and procedures involved.</p> <p>During the FY2022, the Group has not received any reports or concerns via the communication and feedback channels stipulated in the Whistleblowing Policy.</p> <p>The Whistleblowing Policy is available on the Company's corporate website at http://www.techna-x.com.</p>

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

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group recognises that sustainability is pertinent for creating long-term value for its business as well as its commitment as a responsible corporate citizen.</p> <p>The Board takes into account the sustainability considerations when overseeing the Group's planning, performance and long-term strategy. The Company is committed to adopting and applying responsible practices from environmental, social and governance ("ESG") perspective, to minimise the risk and to enhance the long-term development impact of its corporate activities. The ESG priorities are affirmed by the Board and cascaded down to the Senior Management to develop strategic plans to realise the ESG goals and objectives.</p> <p>The Group's sustainability governance structure also facilitates the escalation of the progress and performance of applied sustainability strategies. The findings presented by the Senior Management to the Board periodically or on a case-by-case basis should there be any, provide the basis for refinement of strategies and objectives towards ensuring continued progress.</p> <p>The Group has adopted a set of sustainable business practices, which formed an integral part of the Group's day-to-day operation and it is one of the keys to ensure the Group's long-term goals and continuity are achievable.</p> <p>During the FY2022, the Group has adopted the following sustainability initiatives: -</p> <ul style="list-style-type: none">(i) Observed and adopted 8 United Nations Sustainable Development Goals ("UNSDG");(ii) All employees of the Group were briefed on the Anti-Bribery and Anti-Corruption Policy in compliance with Section 17A of

	<p>the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018); and</p> <p>(iii) Employment of majority Malaysian workforce.</p> <p>In FY2022, the Group continued to make its best effort to align its business operations and administrative policies towards the following chapters of the UNSDG:-</p> <ul style="list-style-type: none"> (i) Ensure healthy lives and promote well-being for all at all ages; (ii) Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all; (iii) Achieve gender equality and empower all women and girls; (iv) Ensure access to affordable, reliable, sustainable and modern energy for all; (v) Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all; (vi) Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation; (vii) Reduce inequality within and among countries; and (viii) Make cities and human settlements inclusive, safe, resilient and sustainable. <p>Further details in relation to the sustainability practices are disclosed in the Statement on Sustainability of the Annual Report for the FY2022.</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

Intended Outcome

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

Practice 4.2

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

Application	: Applied															
Explanation on application of the practice	: <p>The Group believes that stakeholder engagement is integral to the development of its sustainability strategies and the engagement activities with its internal and external stakeholders are conducted on an on-going basis.</p> <p>The Group's engagement platforms are as follows: -</p> <table border="1"> <thead> <tr> <th>Stakeholder Group</th> <th>Areas of Interest</th> <th>Forms of Engagement</th> </tr> </thead> <tbody> <tr> <td>Shareholders and investors</td> <td> <ul style="list-style-type: none"> Financial performance Key corporate developments Corporate governance </td> <td> <ul style="list-style-type: none"> Annual General Meeting Investor Relations Annual/Quarterly reports Corporate website </td> </tr> <tr> <td>Customers</td> <td> <ul style="list-style-type: none"> Pricing Product quality Customer enquiries </td> <td> <ul style="list-style-type: none"> Social media (Facebook, Instagram) Company careline (phone/ email) Customer loyalty programme </td> </tr> <tr> <td>Government and regulatory authorities</td> <td> <ul style="list-style-type: none"> Compliance Security and safety issues Policy matters concerning public/ safety/ environment/ anti-competition </td> <td> <ul style="list-style-type: none"> Inspection and audit by local authority (JAKIM) Meetings with local authorities </td> </tr> <tr> <td>Employees</td> <td> <ul style="list-style-type: none"> Employee well-being and safety Career development </td> <td> <ul style="list-style-type: none"> Internal engagement channels </td> </tr> </tbody> </table>	Stakeholder Group	Areas of Interest	Forms of Engagement	Shareholders and investors	<ul style="list-style-type: none"> Financial performance Key corporate developments Corporate governance 	<ul style="list-style-type: none"> Annual General Meeting Investor Relations Annual/Quarterly reports Corporate website 	Customers	<ul style="list-style-type: none"> Pricing Product quality Customer enquiries 	<ul style="list-style-type: none"> Social media (Facebook, Instagram) Company careline (phone/ email) Customer loyalty programme 	Government and regulatory authorities	<ul style="list-style-type: none"> Compliance Security and safety issues Policy matters concerning public/ safety/ environment/ anti-competition 	<ul style="list-style-type: none"> Inspection and audit by local authority (JAKIM) Meetings with local authorities 	Employees	<ul style="list-style-type: none"> Employee well-being and safety Career development 	<ul style="list-style-type: none"> Internal engagement channels
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Employees	<ul style="list-style-type: none"> Employee well-being and safety Career development 	<ul style="list-style-type: none"> Internal engagement channels 														

		<ul style="list-style-type: none"> • Value diversity and equal opportunity • Staff training • Inclusiveness 	<ul style="list-style-type: none"> • Open communication through townhall sessions • Whistleblowing policy • Skills development and training opportunities • Operational safety and health • Employee appreciation dinners/gatherings and awards
	Suppliers	<ul style="list-style-type: none"> • Fair procurement • Transparency • Product quality and service delivery • Anti-bribery • Quality Control 	<ul style="list-style-type: none"> • Group procurement policies • Suppliers' evaluation and periodic review • Meeting and feedback with suppliers • Anti-bribery commitment
	Local communities and public	<ul style="list-style-type: none"> • Transparent and quality products and services • Reaching out to communities 	<ul style="list-style-type: none"> • Community programmes • Donations, financial aids programmes to ensure affordable pricing of products • Local sourcing
	Environment NGO (Climate Change)	<ul style="list-style-type: none"> • Energy • Climate • Carbon footprint • Plastic consumption • Waste management 	<ul style="list-style-type: none"> • Energy saving evaluation • Renewal energy sourcing • Green energy evaluation • Plastic reduction initiative • Food waste reduction

	Health Authority	<ul style="list-style-type: none"> • Food safety and Quality • Food hygiene 	<ul style="list-style-type: none"> • Authority inspection • Quality assurance / quality control report • Internal audits • Food safety and handling certification
The details pertaining to the commitment to the stakeholders are disclosed in the Statement on Sustainability of the Annual Report for the FY2022.			
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 is appraised, and they provide their views and opinions on the Group’s sustainability issues during the Board meetings.</p> <p>The Board is well aware that 1 of the Company's key pillars is the development of technology infrastructure for SmartCity via the deployment of Internet of Things, Artificial Intelligence, Data Analytics and etc. These Smartcity platforms can help communities in the entire value chain and eco-system to increase effectiveness and efficiency in tasks that directly affect the people’s day-to-day life and provide a safe and sustainable living conditions to the communities.</p> <p>In addition, the Board also attended training to keep themselves abreast with the latest development in the industry and the sustainability issues relevant to the Group.</p> <p>The Board via the NC was satisfied that the Board composition and its skills matrix is adequate to lead and oversee the sustainability 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 has included sustainability as one of the criteria in the annual performance evaluations of the Directors to promote accountability and identify issues that may require intervention by the Board. Based on annual performance carried out, the Board has performed their respective roles in addressing the Group’s material sustainability risks and opportunities.</p> <p>This allows the Board to have better insights on the potential improvements that could be implemented in future.</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>During the FY2022, the NC has evaluated the composition of the Board and Board Committees via the annual assessments to review the size of the Board, tenure of each Director and the required mix of skills, experience and other qualities and core competencies for the Directors of the Company.</p> <p>Based on the assessment outcome, the NC was satisfied that the current size and composition of the Board are adequate, and they have adequately carried out their functions within their scope of work.</p> <p>Apart from that, the NC is also responsible for recommending to the Board on the Directors who are standing for re-election at the Annual General Meeting (“AGM”), subject to the NC being satisfied with the performance of the Directors based on the assessments undertaken.</p> <p>Based on the results of the annual assessment and evaluation of the Board for the FY2022 and fit and proper assessment, the Board and NC were satisfied with the performance of the following Directors who are standing for re-election at the Seventeenth AGM of the Company, and recommended to the shareholders the proposed re-elections: -</p> <ul style="list-style-type: none">(i) Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja’afar;(ii) Datuk Lim Chih Li @ Lin ZhiLi;(iii) Mr. Fan Kah Seong; and(iv) Puan Aidawati Binti Dahari. <p>(the aforesaid Directors are collectively referred to as “Retiring Directors”)</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board consists of 6 members, comprising 1 Executive Chairman, 2 Executive Directors and 3 Independent Non-Executive Directors, at least half of the Board comprises Independent Directors.</p> <p>The Independent Non-Executive Directors provide adequate check and balance of power and authority and is able to support independent deliberation of the Board and sufficiently enable it to discharge its duties objectively in order to safeguard the interests of other minority shareholders/stakeholders.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>Currently, none of the Independent Directors of the Company has served for a cumulative term of more than 9 years.</p> <p>The Board takes cognisance that the tenure of an Independent Director should not exceed a cumulative term of 9 years. Upon completing 9 years, an Independent Director may continue to serve on the Board as a Non-Independent Director. In the event such a Director is to be retained as an Independent Director beyond 9 years and up to 12 years, the Board must provide justification and seek annual shareholders' approval through a two-tier voting process.</p> <p>The assessment of independence of Independent Directors has taken into consideration whether the Independent Non-Executive Director is free from any business or relationship which could hinder his/her exercise of independent judgment, objectivity or the ability to act in the best interests of the Company.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.4 - 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 has a formal and transparent selection process to appoint the Board members and Senior Management.</p> <p>In making the recommendation of suitable candidates, the NC considers the following attributes of candidates: -</p> <ul style="list-style-type: none">(a) skills, knowledge, expertise, and experience;(b) age;(c) gender;(d) professionalism;(e) integrity;(f) competencies, commitment, contribution, and performance; and(g) in the case of candidates for the Independent Director position, the NC should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from the Independent Director. <p>(collectively referred to as "Criteria")</p> <p>In addition, the following fit and proper criteria were adopted for the appointment and re-appointment of Directors of the Company as set out in the Directors' Fit and Proper Policy: -</p> <ul style="list-style-type: none">(i) Probity;(ii) Personal integrity;(iii) Financial integrity;(iv) Reputation;(v) Qualifications, training and skills;(vi) Relevant experience and expertise;(vii) Relevant past performance or track record;(viii) Ability to discharge role having regard to other commitments; and(ix) Participation and contribution in the Board or track record. <p>(collectively referred to as "Fit and Proper Criteria")</p>

	<p>The NC also considers, in making its recommendations, candidates for directorships proposed by the Directors and, within the bounds of practicability, by any other senior executive or any Director or shareholder and takes steps to ensure that gender, ethnicity, and age group diversity is considered as part of its recruitment exercise.</p> <p>The current Board consists of Directors from diverse backgrounds and qualifications, collectively bringing a wide range of experience and expertise in areas such as economics, accounting, finance, legal, engineering, and entrepreneurship.</p> <p>During the FY2022, the NC has evaluated and satisfied that Mr. Fan Kah Seong and Mr. Ng Chee Seng have fulfilled the Criteria and Fit and Proper Criteria, and recommended their proposed appointments as the Director and Alternate Director respectively to the Board. The Board has subsequently approved their appointments to take effect on 1 June 2022 and 12 December 2022 respectively.</p> <p>Subsequent to the FY2022, the NC has made their recommendations to the Board for the appointment of Puan Aidawati Binti Dahari and Mr. Chin How Nyian as Independent Non-Executive Director and Alternate Director, respectively, upon assessed and reviewed their profiles, the Criteria and the Fit and Proper Criteria. Subsequently, Puan Aidawati Binti Dahari and Mr. Chin How Nyian were appointed as Independent Non-Executive Director and Alternate Director, respectively on 28 February 2023.</p> <p>The Directors has ensured their time commitment to discharge their duties effectively by holding not more than 5 directorships in public listed companies and avoiding over-commitment in multiple directorships in non-listed companies.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 5.6

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

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>In identifying candidates for appointment of Directors, the NC will not solely rely on the recommendations from the existing Board members, Management, or major shareholders, but also will utilise various approaches and independent sources to identify suitable candidates.</p> <p>The identifications of the Board candidates, namely Mr. Fan Kah Seong, Mr. Ng Chee Seng, Puan Aidawati Binti Dahari and Mr. Chin How Nyian had been facilitated through recommendations from the Management as they would have better understanding on the required background, qualification, skills and experience of candidates, prior to the assessment to be conducted by the NC.</p> <p>Although the NC and the Board did not utilise independent sources with regards to the appointments, the Board's decisions were still made objectively in the best interests of the Company taking into account the diverse skills, expertise, experience and perspectives of the current Board members.</p> <p>Notwithstanding the above, the Board will consider utilising independent sources to identify suitably qualified candidate(s) when the need arises in future.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

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 appointment of any Director, together with all the relevant information, such as designation, directorate, directorships in public companies and listed issuers, family relationship with any Director and/or major shareholder of the Company, conflict of interest with the Company and details of any interests in the securities of the Company or its subsidiaries, are announced to Bursa Malaysia Securities Berhad.</p> <p>To assist shareholders in their decision on the re-election of the Retiring Directors, the information of the Retiring Directors had been included in the Explanatory Notes in the AGM notice.</p> <p>The details of the Retiring Directors, such as interests, 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, are set out in the Profile of Directors of the Annual Report for the FY2022.</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	:	<p>The NC is currently chaired by Mr. Balraj Singh Pannu A/L Gajjan Singh, an Independent Non-Executive Director of the Company.</p> <p>The Chairman is responsible for:-</p> <p>(i) leading the succession planning and appointment of Directors, and oversee the development of a diverse pipeline for Board and Management succession, including the future Chairman, Executive Directors, and CEO/MD; and</p> <p>(ii) leading the annual review of Board effectiveness, ensuring that the performance of each individual Director and Chairman of the Board is independently assessed.</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 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board acknowledges the importance of boardroom diversity and supports the same. The Board currently has 1 female director, comprising 16.67% of the Board.	
		The evaluation of the suitability of candidates as the new Board member is based on the candidates' competency, skills, character, time commitment, knowledge, experience, and other qualities in meeting the needs of the Company, and without regard to the candidate's gender, ethnicity, nor age. The NC and the Board would ensure that steps are undertaken to ensure that suitable women candidates are sought from various sources, should the need arises.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 5.10

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company has adopted a Gender-Ethnicity-Age Diversity Policy and last reviewed on 8 April 2022 that is applicable to all positions within the Group and to ensure that equal rights, regardless of the gender, ethnicity or age of the candidates (from its stable of blue collar workers to middle management level personnel, senior management and right through to the Board) are accorded when it comes to hiring, employment, promotion, job placement and etc within the Group.</p> <p>All the officers of the Group involved in the hiring process, including the human resource personnel and NC, as the case may be, is strongly encouraged to be “gender, ethnicity and age blind” when it comes to evaluating the suitability of a candidate for any position in the Group.</p> <p>The Gender-Ethnicity-Age Diversity Policy is available on the Company’s corporate website at http://www.techna-x.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

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	: During the FY2022, the Board, through the NC, has conducted the following annual assessments to evaluate the performance and effectiveness of the Board, Board Committees, and each individual Director, facilitated by the Company Secretary: -												
	<table border="1"> <thead> <tr> <th>Evaluation</th> <th>Assessment Criteria</th> </tr> </thead> <tbody> <tr> <td>Directors' self and peer performance evaluation</td> <td> <ul style="list-style-type: none"> • Fit and proper • Contribution and performance • Calibre and personality </td> </tr> <tr> <td>Board and Board Committee evaluation</td> <td> <ul style="list-style-type: none"> • Board mix and composition • Quality of information and decision making • Boardroom activities • Board's relationship with the Management; • ESG issues or sustainability • Board Committees' performance </td> </tr> <tr> <td>ARMC members' self and peer evaluation</td> <td> <ul style="list-style-type: none"> • Skills, experience and understanding • Calibre and personality • Participation and contribution </td> </tr> <tr> <td>ARMC evaluation</td> <td> <ul style="list-style-type: none"> • Quality and composition • Skills and competencies • Meeting administration and conduct </td> </tr> <tr> <td>Assessment of independence of Independent Directors</td> <td>Independence criteria in accordance with Paragraph 1.01 and Practice Note 13 of</td> </tr> </tbody> </table>	Evaluation	Assessment Criteria	Directors' self and peer performance evaluation	<ul style="list-style-type: none"> • Fit and proper • Contribution and performance • Calibre and personality 	Board and Board Committee evaluation	<ul style="list-style-type: none"> • Board mix and composition • Quality of information and decision making • Boardroom activities • Board's relationship with the Management; • ESG issues or sustainability • Board Committees' performance 	ARMC members' self and peer evaluation	<ul style="list-style-type: none"> • Skills, experience and understanding • Calibre and personality • Participation and contribution 	ARMC evaluation	<ul style="list-style-type: none"> • Quality and composition • Skills and competencies • Meeting administration and conduct 	Assessment of independence of Independent Directors	Independence criteria in accordance with Paragraph 1.01 and Practice Note 13 of
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Assessment of independence of Independent Directors	Independence criteria in accordance with Paragraph 1.01 and Practice Note 13 of												

		the Main Market Listing Requirements of Bursa Malaysia Securities Berhad
	<p>The criteria for the above evaluations are guided by the Corporate Governance Guide (4th Edition).</p> <p>The Directors and Board Committees provided anonymous feedback on their peers' performance and individual performance contributions to the Board and respective Board Committees. The results were collated by the Company Secretaries and tabled to the NC for deliberation. In addition, each Director was provided feedback on their contribution to the Board and Board Committees.</p> <p>Based on the assessment carried out, the NC concluded the following:-</p> <ul style="list-style-type: none"> • The Board's current size and composition are appropriate and well-balanced with the right mix of skills. The Board composition comprises individuals with the necessary skills, qualifications and experiences to enable the Board to discharge its duties and responsibilities effectively. • All the Directors have discharged their duties and responsibilities according to the Board Charter and respective Terms of Reference of the Board Committees. • All the Independent Directors have fulfilled the definition of an "Independent Director" as defined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. • The Independent Directors can exercise independent judgement and act in the Company's best interests. • The Independent Directors act independently of the Management and are not involved in any other relationship with the Group that may impair their independent judgement and decision making. <p>The Board will consider engaging a professional, experienced and independent party to lend greater objectivity to the assessments as and when required.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company does not have a remuneration policy for the Directors and Senior Management for the time being. However, the Terms of Reference of the RC has stipulated that the remuneration packages of the Executive Directors, Non-Executive Directors and Senior Management were taken into account the demands, complexities, and performance of the Company as well as the skills and experience required.</p> <p>In determining the remuneration of the Directors and Senior Management, the RC is guided by its Terms of Reference to consider, among others, the following:-</p> <ul style="list-style-type: none">• In respect of Executive Directors, to ensure that the remuneration package is commensurate with skills and responsibility expected of the Director concerned and is sufficient to attract and retain Directors needed to run the Company successfully.• In respect of Non-Executive Directors, to ensure via the Board as a whole that the remuneration payable reflects the experience, time demanded of the Directors to discharge their duties and responsibilities undertaken.• In respect of Senior Management, to ensure that the remuneration package is commensurate with the individual's performance, skills, experience, level of responsibility, and market benchmarks.• The remuneration packages of the Directors and Senior Management shall reflect the their responsibilities, expertise, and the complexity of the Company's activities.

	<ul style="list-style-type: none"> To structure the component parts of remuneration to align with the Company's business strategy and long term objectives, link rewards to corporate and individual performance, and assess the Company's needs for talent at the Board level at a particular time. 	
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 current composition of the RC is as follows: -</p> <table border="1"><thead><tr><th>Name</th><th>Designation</th><th>Directorate</th></tr></thead><tbody><tr><td>Balraj Singh Pannu A/L Gajjan Singh</td><td>Chairman</td><td>Independent Non-Executive Director</td></tr><tr><td>Fan Kah Seong <i>(appointed w.e.f. 1 June 2022)</i></td><td>Member</td><td>Independent Non-Executive Director</td></tr><tr><td>Aidawati Binti Dahari <i>(appointed w.e.f. 28 February 2023)</i></td><td>Member</td><td>Independent Non-Executive Director</td></tr></tbody></table> <p>The RC is to assist the Board in implementing its policies and procedures on remuneration of the Directors and Senior Management.</p> <p>Directors have abstained from deliberation and voting on their own proposed Directors' fees or remuneration package at the RC meeting and Board meeting.</p> <p>The Non-Executive Directors have abstained and undertaken to ensure that persons connected to them to abstain from voting in respect of their direct and/or indirect interests on the resolution pertaining to the approval of the Directors' fees for the financial year ended 31 December 2021 in the Sixteenth AGM held on 31 May 2022.</p> <p>During the FY2022, the RC has undertaken the following works: -</p>	Name	Designation	Directorate	Balraj Singh Pannu A/L Gajjan Singh	Chairman	Independent Non-Executive Director	Fan Kah Seong <i>(appointed w.e.f. 1 June 2022)</i>	Member	Independent Non-Executive Director	Aidawati Binti Dahari <i>(appointed w.e.f. 28 February 2023)</i>	Member	Independent Non-Executive Director
Name	Designation	Directorate											
Balraj Singh Pannu A/L Gajjan Singh	Chairman	Independent Non-Executive Director											
Fan Kah Seong <i>(appointed w.e.f. 1 June 2022)</i>	Member	Independent Non-Executive Director											
Aidawati Binti Dahari <i>(appointed w.e.f. 28 February 2023)</i>	Member	Independent Non-Executive Director											

	<ul style="list-style-type: none"> (i) Reviewed the revised Terms of Reference of the RC and recommended the same to the Board for approval and adoption; (ii) Reviewed the Directors' fees for the financial year ended 31 December 2021 and recommended the same to the Board for consideration; (iii) Reviewed the Directors' remuneration (excluding Directors' fees) from 1 June 2022 until the next AGM of the Company and recommended the same to the Board for consideration; (iv) Reviewed and confirmed the minutes of the RC meeting; (v) Reviewed the proposed Directors' fees payable to the proposed new Director(s) and recommended the same to the Board for consideration; and (vi) Reviewed the remuneration package of the Managing Director and Executive Directors of the Company for year 2023 and recommended the same to the Board for consideration and approval. <p>The authority, duties, and responsibilities of the RC are clearly stated in its Terms of Reference, which was last revised on 8 April 2022 and available on the Company's corporate website at http://www.techna-x.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

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The details of the remuneration of the Directors of the Company and Group for the FY2022 are disclosed hereunder: -

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	Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar	Executive Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Datuk Lim Chih Li @ Lin ZhiLi	Executive Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Ahmad Rizan Bin Ibrahim	Executive Director	-	-	120,000	-	-	15,402	135,402	-	-	120,000	-	-	15,402	135,402
4	Liu Guodong <i>(resigned w.e.f. 12 December 2022)</i>	Executive Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Lim See Tow <i>(retired w.e.f. 31 May 2022)</i>	Independent Director	12,500	4,050	-	-	-	-	16,550	12,500	4,050	-	-	-	-	16,550
6	Zhai Baoxing <i>(resigned w.e.f. 12 December 2022)</i>	Independent Director	30,000	6,550	-	-	-	-	36,550	30,000	6,550	-	-	-	-	36,550
7	Balraj Singh Pannu A/L Gajjan Singh	Independent Director	30,000	6,550	-	-	-	-	36,550	30,000	6,550	-	-	-	-	36,550
8	Fan Kah Seong <i>(appointed w.e.f. 1 June 2022)</i>	Independent Director	17,500	2,550	-	-	-	-	20,050	17,500	2,550	-	-	-	-	20,050
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
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13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

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

Practice 8.2

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

Application	:	Applied – the company discloses the remuneration of members senior management who are not members of the board	
Explanation on application of the practice	:	The remuneration for the top 5 Key Senior Management in bands of RM50,000 for the FY2022 is disclosed hereunder: -	
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	:		

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Nik Haris Bin Nik Ibrahim	Head of Energy Storage and Super Batteries	0-50,000	Choose an item.	Choose an item.	Choose an item.	Choose an item.	0-50,000
2	Lee Yew Jin	Head of Technology-driven Food and Beverage Division	400,001-450,000	Choose an item.	Choose an item.	Choose an item.	Choose an item.	400,001-450,000
3	Vince Ng Chee Seng	Head of IoT and SmartCity Enablement Division	300,001-350,000	Choose an item.	Choose an item.	Choose an item.	Choose an item.	300,001-350,000
4	Nik Hisham Bin Nik Ibrahim	Chief Executive Officer for Data Analytics and Business Intelligence Division	250,001-300,000	Choose an item.	Choose an item.	Choose an item.	Choose an item.	250,001-300,000
5	Foong Chong Thong	Financial Controller <i>(resigned w.e.f. 18 January 2023)</i>	200,001-250,000	Choose an item.	Choose an item.	Choose an item.	Choose an item.	200,001-250,000

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The ARMC is chaired by Mr. Fan Kah Seong, who is an Independent Non-Executive Director, while the Chairman of the Board is Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who is an Executive Chairman. This has ensured that the objectivity of the Board's review of the ARMC's findings and recommendations is not impaired.</p> <p>The ARMC Chairman, together with other members of the ARMC, should ensure, amongst others, that:-</p> <ul style="list-style-type: none">(i) the ARMC is fully informed about significant matters related to the Group's audit and its financial statements and addresses these matters;(ii) the ARMC appropriately communicates its insights, views, and concerns about relevant transactions and events to Internal and External Auditors;(iii) the ARMC's concerns on matters that may affect the Group's financial or audit are communicated to the External Auditors; and(iv) there is coordination between Internal and External Auditors.
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 Terms of Reference of the ARMC has indicated that a former partner of the external audit firm of the Group (inclusive affiliate firm and/or those providing advisory services, tax consulting and etc) shall observe a cooling-off period of at least 3 years before he/she can be appointed as an ARMC member.</p> <p>None of the ARMC members were former partners of the Group's external audit firms and/or affiliate firms.</p> <p>Notwithstanding the above provision, the ARMC has no intention to appoint any former partner of the Group's external audit firms and/or affiliate firms as an ARMC member.</p> <p>The Terms of Reference of the ARMC is available on the Company's corporate website at http://www.techna-x.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 ARMC has adopted a performance evaluation which covers the External Auditors' objectivity and independence, audit fees, size and competency of the audit team, audit strategy, audit reporting, and the relevant partner's involvement, to assess the suitability, objectivity and independence of the External Auditors to safeguard the quality and reliability of the audited financial statements of the Company and the Group.</p> <p>The ARMC has conducted an annual assessment of the suitability, objectivity and independence of the External Auditors, HLB Ler Lum Chew PLT, in respect of the FY2022. The ARMC and the Board were satisfied with the performance, competency and independence of the External Auditors as well as the fulfilment of criteria based on several factors, including quality of audit review procedures and adequacy of the firm's expertise and its resources to carry out the audit work that they were tasked with.</p> <p>HLB Ler Lum Chew PLT has also provided the ARMC with a written assurance in their audit planning memorandum and audit summary report confirming their independence throughout the conduct of the audit engagement in accordance with the relevant professional and regulatory requirements.</p> <p>Having considered all the above criteria, the Board had, upon recommendation by the ARMC, approved the recommendation for the re-appointment of HLB Ler Lum Chew PLT as the Company's External Auditors for the ensuing financial year at the forthcoming Seventeenth 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	:	Currently, the ARMC comprises solely of Independent Non-Executive Directors, namely: - (a) Mr. Fan Kah Seong (Chairman) (b) Mr. Balraj Singh Pannu A/L Gajjan Singh; and (c) Puan Aidawati Binti Dahari.

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The ARMC members collectively possess the accounting and related financial management expertise and experience required for the ARMC to discharge its duties and responsibilities, and assist the Board in its oversight over the financial reporting process.</p> <p>The individual ARMC members' qualifications and experience are disclosed in the Profile of Directors in the Company's Annual Report for the FY2022.</p> <p>Based on the outcome of the performance assessment undertaken on the ARMC, the NC and the Board were satisfied that: -</p> <ul style="list-style-type: none">(i) the performance of the ARMC and its members in the discharge of their duties and responsibilities in accordance with the ARMC's Terms of Reference, supporting the Board in ensuring the Group upholds appropriate corporate governance; and(ii) each ARMC member has a high degree of independence and a good mix of expertise, skills, and knowledge. <p>The ARMC members received ongoing training and development to keep themselves updated on the relevant developments in accounting and auditing standards, practices and rules.</p> <p>The Board through the ARMC is responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and of their results and cash flows for the financial year then ended. In preparing the financial statements for the FY2022, the Directors have ensured that applicable approved accounting standards in Malaysia, the provisions of the Companies Act 2016, and the Main Market Listing</p>

	Requirements of Bursa Malaysia Securities Berhad have been applied or complied with, as the case may be.	
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 responsibility to maintain the systems of risk management and internal control and review their adequacy, integrity and effectiveness. The systems are designed to manage rather than eliminate the risk of failure to achieve the Group's corporate objectives and only provide reasonable but not absolute assurance against any material misstatement or financial losses.</p> <p>Apart from financial controls, the Group's internal control system also covers operational and compliance controls and, most importantly, risk management. As part of the risk management process, the Board is assisted by the ARMC in identifying, assessing, and managing the significant business risks faced by the Group throughout FY2022.</p> <p>The other key features of the Group's internal control system include the following: -</p> <ul style="list-style-type: none">• An organisation structure with defined lines of responsibility and appropriate reporting structure, including proper approval and authorisation limits for approving capital expenditure and expenses within the Group;• Internal policies and procedures are documented and regularly reviewed and updated from time to time through a series of manuals and guidelines for all major operations of the Group;• Strategic planning and annual budgeting are undertaken for all the key business units. The Senior Management closely monitors the key performance indicators and financial and operating results to identify and, where appropriate, to address significant variances;• The Internal Auditors, perform regular and systematic reviews throughout the financial year on the internal controls to assess and provide sufficient assurance on the effectiveness of the system of internal control and highlight significant risks impacting the Group with recommendations for improvement; and

	<ul style="list-style-type: none"> The ARMC regularly reviews the reports issued by the Internal Auditors on half-yearly basis and annually reviews the adequacy of the Internal Auditors' scope of work and resources. 	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group has adopted Risk-Based Internal Audit (“RBIA”) methodology, which serves to provide assurance that the risks are being managed within the organisation’s risk appetite. The methodology consists of 5 core internal audit roles that cover the risk management framework of the whole organisation, namely:-</p> <ul style="list-style-type: none">(i) Giving assurance that the processes used by the Management to identify all significant risks are effective.(ii) Giving assurance that the risks are correctly assessed/scored by the Management in order to prioritise them.(iii) Evaluating the risk management processes to ensure the response to any risk is appropriate and conforms to the organisation’s policies.(iv) Evaluating the reporting of key risks by managers to Directors.(v) Reviewing the management of key risks by managers to ensure controls have been put into operation and are being monitored. <p>The Board has reviewed the overall risk management and internal control systems of the Group and is of the view that the systems are adequate and effective as there were no material control failure which would have any material adverse effects on the financial results of the Group for the FY2022.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 11.1

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

Application	: Applied
Explanation on application of the practice	<p>The internal audit function of the Group is outsourced to an independent professional internal audit firm, namely Talent League Sdn. Bhd. The outsourced Internal Auditors report directly to the ARMC to preserve their objectivity and assist the ARMC and the Board in discharging their responsibilities by providing independent and objective assurance and advisory services that seek to add value and improve the Group's operations.</p> <p>The internal audit function is independent of the management and is not involved in the operational activities of the Group. This is to ensure that the internal audit activities are performed with impartiality, proficiency, and due professional care.</p> <p>The Internal Auditors perform regular and systematic reviews throughout the FY2022 on the internal controls to assess and provide sufficient assurance on the effectiveness of the internal control system and highlight significant risks impacting the Group with recommendations for improvement.</p> <p>The ARMC regularly reviews the reports issued by the Internal Auditors on half-yearly basis and annually reviews the adequacy of the Internal Auditors' scope of work and resources.</p> <p>The following matters in relation to the internal audit function are reserved matters for the ARMC: -</p> <ul style="list-style-type: none">(i) approve any appointment or termination, or removal of Internal Auditors or members of the internal audit function;(ii) review the internal audit plan, processes, internal audit reports, results and findings of the internal audit assessments, fraud investigations undertaken, and whether the Management has taken any appropriate actions and steps in response to the recommendations on audit findings as well as the audit fee;(iii) review the adequacy of the scope, functions, competency, and resources of the internal audit function and that it has the necessary authority to carry out its work; and

	<p>(iv) review any appraisal or undertake an assessment of the performance of the Internal Auditors or members of the internal audit function.</p> <p>Based on the assessment performed on the Internal Auditors for FY2022, the ARMC was generally satisfied that: -</p> <p>(i) the person responsible for internal audit has relevant experience, sufficient standing and authority to enable him to discharge his functions effectively;</p> <p>(ii) the Internal Auditors have sufficient resources and are able to access information to enable them to carry out their role effectively; and</p> <p>(iii) the personnel assigned to undertake internal audit have the necessary competency, experience and resources to carry out the function effectively.</p>
<p>Explanation for departure :</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>Timeframe :</p>	

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 engagement team from Talent League Sdn. Bhd. is headed by Mr. Roy Thean, a member of the Malaysian Institute of Accountants, Malaysian Institute of Certified Public Accountants, and Institute of Internal Auditors Malaysia. All the personnel deployed by Talent League Sdn. Bhd. range from 3 to 4 staff, are free from any relationships or conflicts of interest, which could impair their objectivity and independence during the course of work, and they have the competency to meet the requirement of the ARMC.</p> <p>The Internal Auditor reports directly to the ARMC. The internal audit reports were prepared in accordance with the internal audit plan approved by the ARMC in advance.</p> <p>The internal audits carried out by the Internal Auditors are guided by the International Professional Practices Framework issued by the Institute of Internal Auditors Inc., a globally recognised professional body for internal auditors.</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 Company recognises the importance of timely and thorough disseminating information on all material business and corporate developments to the shareholders, investors and other stakeholders.</p> <p>The Company keeps shareholders informed by ways of announcements, timely release of quarterly financial results through Bursa Malaysia Securities Berhad, press releases, annual reports and circulars to shareholders, should it be necessary.</p> <p>The Company's website, which is accessible at http://www.techna-x.com, allows all shareholders and investors access to information about the Company.</p> <p>Nevertheless, the AGM is the principal forum of dialogue and interaction with the Company's shareholders. It provides an opportunity for the shareholders to seek and clarify any issues pertaining to the Group and better understand the Group's activities and performance.</p> <p>Communication and feedback from the investors can also be directed to the Company's Investor Relations via email or telephone as follows:</p> <p>-</p> <p>Telephone no. : 03-2715 8688 Email : info@techna-x.com</p> <p>The Company has also established a Corporate Disclosure Policy that governs the determination and dissemination of material information of the Group and sets out the internal procedural guidelines to facilitate the implementation and consistent disclosure practices across the Group.</p> <p>The Corporate Disclosure Committee has been established to oversee all matters relating to the Company's corporate disclosure practices and to ensure adherence to the Corporate Disclosure Policy.</p> <p>The objectives of the Disclosure Policy are as follows:-</p>

	<p>(i) to raise awareness and provide guidance to the Board, Management, officers and employees on the Company’s disclosure requirements and practices;</p> <p>(ii) to provide guidelines and policies in disseminating corporate information to, and in dealing with shareholders, stakeholders, analysts, media, regulators and the investing public;</p> <p>(iii) to ensure compliance with all applicable legal and regulatory requirements on disclosures of material information; and</p> <p>(iv) to build good investor relations with the investing public that inspires trust and confidence.</p> <p>The Corporate Disclosure Policy is available on the Company’s corporate website at www.techna-x.com.</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

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 Company's Sixteenth AGM was held on 31 May 2022, and the notice for the Sixteenth AGM to shareholders was issued on 28 April 2022, which was more than 28 days prior to the date of the AGM.</p> <p>Sufficient time was given to the shareholders to make the necessary arrangements to attend and participate well as to consider the resolutions that will be discussed and decided at the Sixteenth AGM.</p> <p>The Company has complied with the statutory requirement regarding the timeline in sending out the AGM notice to shareholders all these years.</p> <p>In addition, the notice of AGM was published in a prominent local newspaper and made available to the public on Bursa Malaysia Securities Berhad's website and the Company's corporate website at http://www.techna-x.com.</p> <p>The notice of Sixteenth AGM contained sufficient information related to the resolutions set out in the notice along with any background information and relevant reports or recommendations, where required and necessary. This has enabled the shareholders to have adequate information to make informed decisions when exercising their voting rights.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board acknowledges the importance of the attendance of all Directors, the Chair of the ARMC, NC and RC in the AGM to provide meaningful response to the questions addressed to them by the shareholders.	
		During the Sixteenth AGM, Mr. Liu Guodong being the Managing Director and Mr. Balraj Singh Pannu A/L Gajjan Singh being the Chair of the NC were absent at the Sixteenth AGM due to other commitments.	
		Save for the aforesaid Directors, the other Directors, the Chair of ARMC and RC, Management and External Auditors were present in the Sixteenth AGM to provide an opportunity for shareholders to effectively engage each Director.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	Although the Board recognises the importance of leveraging on technology to facilitate remote shareholders' participation and voting on all resolutions via remote participation and voting facilities, but after due considerations, the Company has conducted its Sixteenth AGM via physical mode on 31 May 2022.
	:	Even though the Company conducted its Sixteenth AGM on 31 May 2022 at a physical venue, shareholders are allowed to vote in absentia by way of appointing the Chairman of the AGM as their proxy to vote on their behalf by submitting their proxy form with pre-determined voting instructions for the Chairman to vote for and on their behalf. Additionally, the Company encourages the shareholders, especially those who were unable to attend the AGM, either in person or via proxy, to submit questions ahead of the AGM by emailing to info@techna-x.com and such questions will be addressed at the AGM if time permits or by email after the AGM.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: <p>During the AGM, the Chairman ensures the shareholders and proxies were given adequate opportunity and time to participate and engage the Board and Senior Management effectively in order for them to make informed voting decisions.</p> <p>During the AGM, adequate time is allocated for shareholders to pose questions and Directors/Management to answer them accordingly. In addition to that, questions posed or clarifications seek by the Minority Shareholders Watch Group ("MSWG") were properly and comprehensively addressed prior to the AGM. The questions from MSWG and the corresponding responses from the Directors/Management will be presented to those shareholders present during the AGM.</p> <p>If the shareholders have further questions, the shareholders may pose their questions to the Company by emailing to info@techna-x.com ("Communication Channel").</p> <p>Should there be any unanswered questions raised during the AGM, the Company will follow up and address those questions concerned by leveraging the Communication Channel in order to ensure that all questions are addressed and receive a meaningful response.</p> <p>During the Sixteenth AGM which was held on 31 May 2022 physically, the Chairman actively encouraged the shareholders and/or proxies to participate in the question-and-answer session. There were no questions posed during the Sixteenth AGM, but adequate responses were given to the questions from the MSWG during the Sixteenth 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

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

Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application :	Not applicable – only physical general meetings were conducted in the financial year
Explanation on application of the practice :	
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The minutes of the Sixteenth AGM held on 31 May 2022 were uploaded onto the Company's corporate website at http://www.techna-x.com within 30 business days from the date of the Sixteenth AGM.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

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

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

N/A
