

CORPORATE GOVERNANCE REPORT

STOCK CODE : 2925
COMPANY NAME : Cycle & Carriage Bintang Berhad
FINANCIAL YEAR : December 31, 2021

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 PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	: Applied
Explanation on application of the practice	<p>The board of directors ("Board") has overall responsibility for the strategic direction and management of the Company and its subsidiaries ("Group").</p> <p>During the year in review, the Board had played an active role overseeing the Group's strategic direction and operations.</p> <p>In terms of strategic direction and operations, the Board has deliberated on:</p> <ul style="list-style-type: none">(i) the proposed development of the Company's property in Sg Pinang, Pulau Pinang;(ii) the existing and future capex investments of the Company;(iii) cessation of the Company's sales showroom in TREC, Kuala Lumpur and service centre in Kota Damansara, Selangor to optimise the Group's network;(iv) the management's proposed strategy and budget and operation plan for 2022 to 2024;(v) sustainability focus areas and initiatives of the Group;(vi) Covid-19 impact to the business;(vii) cost savings initiatives; and(viii) appointment of new Chairman of the Board effective 1 February 2022 following the resignation of Mr. Chan Tze Choong Eric. <p>As regards to risk management and succession planning, the Board has:</p> <ul style="list-style-type: none">(i) deliberated on internal audit's assessment findings and reviewed the Group's risk register;(ii) deliberated on the existing Board and Board Committees' composition as well as their effectiveness;

	<p>(viii) reviewed the Group’s compliance with the practices under the Malaysia Code of Corporate Governance;</p> <p>(ix) deliberated on the succession planning of the senior management of the Group presented by the Chief Executive Officer (“CEO”);</p> <p>(x) evaluated the CEO’s performance against his goals and targets; and</p> <p>(xi) deliberated on the annual salary review package for employees.</p> <p>The Board also engaged closely with the Company’s controlling shareholder, Jardine Cycle & Carriage Limited, in efforts to develop a rectification plan to address the shortfall in the public shareholding spread requirement.</p> <p>The duties and responsibilities of the Board, matters reserved for the Board and specific matters which are delegated to the Board Committees are set out in the Board Charter, a copy of which is available on the Company’s website at: https://cyclecarriage.com.my/about-us/corporate-governance/</p> <p>The Board’s delegation of authority to the CEO and the management on the day-to-day operation of the Group is documented in the Group’s limits of authority matrix, which adopts the four-eye principle.</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 1.2

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>Mr. Chan Tze Choong Eric was the Chairman of the Board during the year in review.</p> <p>As the Chairman of the Board, he was responsible to ensure effective conduct and performance of the Board. He led the Board in overseeing the corporate governance practices, ensured directors are briefed of the meeting agenda prior to the meetings, ensured that meetings are conducted effectively and that matters tabled at Board meetings are deliberated constructively.</p> <p>He was also the main contact person between the Board and CEO wherein the CEO and the Management kept him updated regularly on the significant/material affairs/events of the Group.</p> <p>Although he was not able to chair the 53rd annual general meeting held on 25 June 2021 as he could not be physically present at the broadcast venue due to travel restriction, he attended the meeting virtually and addressed queries raised by shareholders at the annual general meeting regarding the performance and strategies of the Company.</p> <p>He has led all Board meetings and discussions on matters tabled to the Board. However, he abstained from deliberation on the voluntary general offer undertaken by Jardine Cycle & Carriage Limited ("JCCL") in March 2021 for good governance as he was deemed interested by virtue of his employment with JCCL.</p> <p>Further details on the role and responsibilities of the Chairman can be found in the Board Charter. The Board Charter is available on the Company's corporate website at: https://cyclecarriage.com.my/about-us/corporate-governance/</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>Having regard to the different responsibilities held by these 2 positions, the positions of Chairman of the Board and Chief Executive Officer (“CEO”) during the year in review are held by different individuals to ensure proper check and balance are in place and that the Board’s decision making process is not influenced. The CEO is not a Board member.</p> <p>Mr. Chan Tze Choong Eric served as the Chairman during the period from 1 May 2019 to 31 January 2022 and Mr. Wilfrid Foo served as the CEO during the period from 17 July 2017 to 31 January 2022.</p> <p>Mr. Wilfrid Foo relinquished his role as the CEO on 31 January 2022 following his appointment as Managing Director, Direct Motor Interests of Jardine Cycle & Carriage Limited. Mr. Wilfrid Foo was appointed as the Chairman of the Board effective 1 February 2022 to succeed Mr. Chan Tze Choong Eric who resigned from the Board effective 31 January 2022.</p> <p>Mr. Tok Chek Kuan succeeds Mr. Wilfrid Foo as the CEO effective 1 February 2022.</p> <p>The responsibilities of the Chairman and the CEO are set out in Appendices B and C of the Board Charter respectively. A copy of the Board Charter is available on the Company’s website at: https://cyclecarriage.com.my/about-us/corporate-governance/</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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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

<p><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></p>	
Application	: Departure
Explanation on application of the practice	:
Explanation for departure	: <p>During the year in review, the Chairman of the Board (Mr Chan Tze Choong Eric) was a member of the Nomination Committee ("NC") and Chairman of the Remuneration Committee ("RC").</p> <p>The NC acknowledged the recommendation in Practice 1.4 and deliberated on it. With 4 members on the Board and taking into account the fact that matters within the NC and Remuneration Committee (RC)'s purview are matters reserved for the unanimous decision of the Board, the NC is of the view that there is adequate check and balance despite having the Board Chairman as a member of the NC and the Chairman of the RC during the year in review.</p> <p>The Board Chairman did not dominate any of the discussion at the NC and RC level. Decisions made by these committees are tabled as recommendations to the Board and such matters are further discussed at Board level before decisions are made.</p> <p>Pursuant to Appendix A of the Company's Board Charter, matters within the NC and the RC's purview such as the following are subject to the unanimous decision of the entire Board:</p> <ul style="list-style-type: none"> • Appointment and removal of Directors based on recommendations of the NC; • Appointment of Board Committees members based on the recommendations of the NC; • Approval of Terms of Reference of Board Committees and amendments to such terms; • Appointment of senior executive positions, including that of the Chief Executive Officer; • Approval of the remuneration arrangements for Non-Executive Directors; • Approval of the remuneration structure and policy for the

	<p>Chief Executive Officer and senior management;</p> <ul style="list-style-type: none"> • Approval of remuneration packages for the Chief Executive Officer. <p>In addition, the Board Chairman abstained from deliberation on matters in which he is deemed interested such as the deter by Jardine Cycle & Carriage Limited.</p> <p>The Nomination Committee (“NC”) had reviewed the current structure, size, balance and composition of the Board and Board Committees. The NC concluded that while it would be ideal to have an additional Independent Director appointed on Board, the NC agreed that the composition of the Board and Board Committees shall remain status quo for the time being after taking into consideration the prevailing economic and corporate circumstances surrounding the Company.</p> <p>The NC will continue to monitor and evaluate the need to increase the Board size.</p> <p>Following the resignation of Mr. Chan Tze Choong Eric as Board Chairman, the Board has agreed to merge the RC and NC into a single committee known as “Nomination and Remuneration Committee” (“NRC”) effective 1 February 2022. The NRC is chaired by the current Chairman of the NC, Mr. Anthony Albert Collingridge and its 2 other members are Mr. Lee Yoke Khai and Mr. Wilfrid Foo Tsu-Jin.</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

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>All 3 company secretaries of the Company are members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and licensed by the Companies Commission of Malaysia.</p> <p>Apart from supporting the management in the day-to-day filings with the regulators and the general meeting, they constantly keep the Board and the management abreast of changes in the realm of corporate governance through updates and briefing. Most recently, they have also advised the Board and management of the updates to the Malaysian Code of Corporate Governance 2021 and the application of the new corporate governance practices.</p> <p>They also advised the Company and the Board on corporate disclosures as well as compliance with securities and listing regulations pertaining to corporate exercises involving the Company.</p> <p>The Company Secretaries attend every Board meetings, Board Committees' meetings and the general meeting of the Company to record minutes of the meetings and guide the Board on secretarial related matters.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.6

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

Application :	Applied
Explanation on application of the practice :	<p>The dates of the quarterly Board meetings and annual general meeting for the following year are typically determined in the 2nd half of each year to ensure that all Directors' and Senior Management can plan their schedule accordingly and attend the scheduled meetings.</p> <p>The Company has always held its Board and Board Committees' Meetings separately. Matters deliberated at Board Committees were tabled as recommendations to the Board and such matters are further discussed at Board level before decisions are made by the Board.</p> <p>The Notice of Board and Board Committees' Meetings and meeting materials are circulated at least 5 business days before the date of the Board or Board Committee meeting respectively to enable the Board members to understand and consider the matters that will be tabled at the meetings. This promotes effective discussion at the meeting itself.</p> <p>Minutes of meetings are recorded by the Company Secretary and circulated to all Board members for review prior to finalisation. Action plans/updates on a particular matter arising will be addressed by Management to the Board at the subsequent Board or Board Committee meeting. The Management keeps the Board updated on any material development that arise from time to time and seeks any required Board approval on urgent matters through Special Board and/or Board Committee meetings or written resolutions.</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 in place a Board Charter that sets out, amongst others, the responsibilities, authorities, procedures, evaluations and structures of the Board and Board Committees, the role of the Senior Independent Director, matters reserved for the Board as well as the relationships of Board with the Company's management and shareholders.</p> <p>The Board Charter is required to be reviewed by the Board at least once in every three (3) years. The Board has reviewed it in February 2021 to implement the requirements specified in the Guidelines on Conduct of Directors of Listed Corporations and their Subsidiaries issued by the Securities Commission Malaysia on 30 July 2020 and amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.</p> <p>The Board Charter was updated again in February 2022 to:</p> <ul style="list-style-type: none"> (i) merge the Terms of Reference of the Nomination Committee and Remuneration Committee following the consolidation of both the committees effective 1 February 2022; and (ii) reflect the best practices recommended under the Malaysian Code of Corporate Governance 2021 and amendments to the Main Market Listing Requirements. <p>A copy of the latest Board Charter is available on the Company's website at: https://cyclecarriage.com.my/about-us/corporate-governance/</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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 adopts the Direct Motor Interest Code of Conduct (“DMI CoC”) and the Jardine Matheson Group Code of Conduct (“JM CoC”).</p> <p>The DMI CoC supplements the JM CoC by prescribing specific principles on how employees within the Direct Motor Interest businesses of Jardine Cycle & Carriage Limited shall conduct itself with each other, customers, business partners and the communities.</p> <p>The DMI CoC and JM Coc is available on the Company's corporate website at: https://cyclecarriage.com.my/about-us/group-policies/</p> <p>Training on the code of conducts is provided to all employees as part of the onboarding process to brief them of the code of conduct compliance principles. Upon completion of the trainings, employees are required to sign a compliance declaration and undergo online assessment to refresh their understanding of these principles once every 2 years.</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 Company has a whistleblowing policy to guide and encourage both staff and other stakeholders to report matters of concern such as fraud, conflict of interest, bribery or corruption, abuse of influence, bullying or harassment, discrimination, breach of law or policies.</p> <p>The Company has updated the policy in May 2021. The updated policy is made available on the Company's website at: https://cyclecarriage.com.my/about-us/group-policies/</p> <p>Along with the regional offices of Jardine Matheson Group, the Company in May 2021 outsourced its whistleblowing service. The whistleblowing reporting channel is now managed by an external service provider to provide assurance to all staff and stakeholders that all reports on conduct which do not meet the Company's values will be managed confidentially.</p> <p>All reported content and information are independently operated and kept by the team and only reported to the designated representative of company. Without the consent of the informant, the informant's information will not be disclosed to 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

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is at the topmost tier of the structure and is responsible for setting the direction for sustainability within the Group. The second tier constitutes the Sustainability Steering Committee ("SSC"), comprising the Chief Executive Officer and Chief Financial Officer.</p> <p>They support the Board by overseeing the progress of sustainability projects and initiatives within the Group. The third tier comprises the Sustainability Working Committee ("SWC"), which executes sustainability initiatives and programmes, as well as tracks the Group's economic, environmental and social performance.</p> <p>The SWC comprise of head of functions and representatives of each business units within the Company.</p> <p>The relevance of the material economy, environment and society risk and opportunities ("Material Topics") for the Financial Year Ended 31 December 2021 was determined and evaluated by the Board, SSC and SWC. There were 20 topics evaluated.</p> <p>The materiality matrix of the Company's sustainability statement for the Financial Year Ended 31 December 2021 was generated, taking into account the desk research findings and the aggregated collective results of the Material Topics evaluation.</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 4.2

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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company’s ambitions and targets were not reported in the previous years’ sustainability statement.	
		The Board and the Management are cognisant that good governance and leadership distinguish companies seeking a long-term vision to build economic, environmental, and social sustainability.	
		The Board and Management are working to refine the Company’s sustainability strategies and ambitions having regard to the prevailing economic and social conditions and its holding company’s sustainability strategies.	
		Once the strategies and ambitions framework are firmed up, the Company will communicate them to its stakeholders via its sustainability statement.	
<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>During the year in review, the directors attended climate governance and sustainability reporting trainings.</p> <p>The Nomination Committee had deliberated on training areas for the year 2022 and had proposed training topics related to environmental, social and governance (“ESG”) be arranged for the Board members.</p> <p>The NC also sought assistance from the major shareholder’s representatives on the Board to share JCCL’s insights and directions on ESG for its group of 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

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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The annual performance evaluation of the Board and Chief Executive Officer are performed using assessment forms.	
		The criterion for Board assessment includes, amongst others, value add contribution, accountability, stakeholders’ relationships, board processes, and management development.	
		The criterion for CEO assessment includes strategic planning, leadership, financial results, management of operations, management development and succession planning, human resources, stakeholders’ communication, and board relations.	
		The Nomination Committee will work with the company secretary to update the peer-to-peer assessment form to include this criterion in year 2022 evaluation form.	
<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

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

Practice 4.5- Step Up

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

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

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The longest serving director on the Board is Puan Rossana Annizah binti Ahmad Rashid and she has been with the Company for less than 6 years.</p> <p>Neither the Chairman of the Board nor Chairman of the Board Committees had served in that role for more than 5 years.</p> <p>The Nomination Committee (NC) evaluated the Board composition and is satisfied, given the circumstances in which the Company find itself, that it is adequate to support objective and independent deliberation, review, and decision-making.</p> <p><u>Re-election of directors</u></p> <p>In accordance with Clause 98 of the Company's Constitution, Pn Rossana Annizah binti Ahmad Rashid, the Deputy Chairperson of the Board, and in accordance with Clause 102 of the Company's Constitution, Mr Lee Yoke Khai, the Senior Independent Non-Executive Director, were due for retirement at the 53rd Annual General Meeting ("AGM") of the Company held in June 2021. The NC had in February 2021 deliberated on their role, performance, and contribution throughout their tenure on the Board and had recommended their re-election to the Board.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.2

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>During the year in review, there are four (4) Directors on the Board (excluding the two (2) alternate directors).</p> <p>2 out of the 4 Directors, namely Mr. Lee Yoke Khai and Mr. Anthony Albert Collingridge, are Independent Non-Executive Directors.</p> <p>Mr Lee Yoke Khai, Chairman of Audit Committee, was appointed on 27 June 2020 and was re-designated as Senior Independent Non-Executive Director on 25 February 2021.</p> <p>An annual assessment on the independence of the Board is conducted and both the Independent Non-Executive Directors confirmed that they are independent as per the requirement under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.</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	:	The Board has a policy to seek annual shareholders' approval if it intends to retain an independent director beyond twelve (12) years. During the year in review, the Board does not have any independent directors whose tenure exceeds a cumulative term limit of nine (9) years.
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 Nomination Committee (“NC”) is tasked with the delegated authority of the Board to evaluate candidates and recommend new appointments to the Board and senior management based on meritocracy taking into consideration their capabilities, professionalism, integrity, expertise as well as diversity in skills, experience, age, cultural background, and gender.</p> <p>A yearly assessment of the Board members and the Chief Executive Officer (“CEO”) is carried out by the NC to assess the effectiveness and independence of the Board and the CEO.</p> <p>From a diversity perspective, the current Board and senior management is made up of members with different skill sets and experience, cultural background, gender, nationality, and age. Further details on the profile of the Board members and Key Management are available in the annual report, which is made available on the Company’s website at https://cyclecarriage.com.my/investor-relations/annual-report/.</p> <p>The succession plans for CEO and Senior Management presented by the Management were first reviewed by the NC prior to it being presented to the Board. Factors considered in the evaluation of the succession plan include potential changes to the industry, skills sets required to address future business needs and diversity in terms of skills, experience, age, cultural background, and gender.</p> <p>The NC was satisfied that succession planning was in place.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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 Nomination 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>It is the Group's policy that the appointment of any new member to the Board is a formal and transparent process by which a candidate could be identified via a recommendation by a Board member or Management; or sourced through the Jardine Matheson Group's extensive network of contacts. The Nomination Committee ("NC") (known as the Nomination and Remuneration Committee effective 1 February 2022) has the right to access independent sources such as industry associations and open advertisements to shortlist suitable candidates, where required.</p> <p>During the year in review, the Nomination Committee ("NC") deliberated on the appointment of new Chairman of the Board to succeed Mr. Chan Tze Choong Eric who resigned from the Board on 31 January 2022.</p> <p>The NC considered the following factors in addition to accepting Jardine Cycle & Carriage Limited's nomination of Mr. Wilfrid Foo as is:</p> <ul style="list-style-type: none">(i) the current Board composition and needs including gender diversity, cultural background, age, skills, and experience; and(ii) its competency and behavioural evaluation of Mr. Wilfrid Foo. <p>With due regard to his age, qualification, skills, experience (including his leadership and contribution to the Company during his tenure as the CEO of the Company) and his other directorship/commitments, the NC is satisfied that Mr. Wilfrid Foo is competent to discharge the duties as the Chairman of the Board and recommended his appointment to the Board.</p>

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

Intended Outcome

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 information of directors had been included in the explanatory notes - item 3 of the Notice of 53rd Annual General Meeting dated 22 April 2021.</p> <p>The profile of Pn. Rossana Annizah binti Ahmad Rashid and Mr. Lee Yoke Khai who were due for retirement at the 53rd AGM in accordance with Clause 98 and 102 of the Company's Constitution respectively along with the Board's recommendation on their re-election were included in the explanatory notes to the notice of the 53rd Annual General Meeting held in June 2021.</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 Nomination Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied
Explanation on application of the practice	:	<p>Mr. Anthony Albert Collingridge, an Independent Non-Executive Director, has been the Chairman of the Nomination Committee (“NC”) since 31 October 2018.</p> <p>In compliance with the Board Charter and the MCCG 2021, the NC currently consist of three (3) members during the year in review, two (2) of whom are Independent Non-Executive Directors.</p> <p>Effective 1 February 2022, the Board has merged the Nomination Committee and Remuneration Committee into a single committee known as known as “Nomination and Remuneration Committee” (“NRC”). Mr. Collingridge was appointed as the Chairman of the NRC.</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

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	During the year in review, 1 out of 4 Board member is a female director, which makes the composition 25% female director and 75% male directors.
		<p>The Nomination Committee (“NC”) had reviewed the current structure, size, balance and composition of the Board and Board Committees. The NC concluded that while it would be ideal to have an additional female Director appointed on Board, the NC agreed that the composition of the Board and Board Committees shall remain status quo for the time being after taking into consideration the prevailing economic and corporate circumstances surrounding the Company.</p> <p>The NC will continue to monitor and evaluate the need to increase the Board size.</p> <p>Nonetheless, the Board acknowledged the importance of a diverse Board and recommendation under Practice 5.9.</p> <p>The Board had approved a diversity policy for the Board and Senior Management in February 2022. The Board will take this factor into consideration when assessing future candidates to the Board and Senior Management team.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.10

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is committed to ensure that the appointments made to the Board are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background, and gender.</p> <p>The Board is committed to equal opportunity principle where there are no barriers by reason of an individual's gender, ethnicity, age, and nationality.</p> <p>This is evident through the composition of the Board since year 2016 where the Board comprised of female director(s).</p> <p>This commitment is disclosed in the Company's Board Charter, a copy of which is made available on the Company's website.</p> <p>[The Board had approved the diversity policy for the Board and Senior Management in February 2022.</p> <p>The key focus areas of the Company's diversity policy include leadership commitment, inclusive culture, diverse talent, and community impact.</p> <p>This is disclosed in the Corporate Governance Overview Statement in the Company's 2021 Annual Report.]</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 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.

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Nomination Committee (“NC”) conducts the following annual evaluation to determine the effectiveness of the Board collectively, its three (3) committees and each Director individually:</p> <ol style="list-style-type: none">i. Chief Executive Officer/Managing Director evaluation;ii. Board evaluation;iii. Director self-evaluation;iv. Chairman/Deputy Chairman self-evaluation;v. Audit Committee evaluation;vi. Nomination Committee evaluation;vii. Remuneration Committee evaluation; andviii. peer-to-peer evaluation. <p>The process was carried out via customised questionnaires sent to all directors and Committee members.</p> <p>Assessment criteria covers areas such as purpose, composition, process, contribution in topics such as strategic perspective, governance integrity, judgment and decision making, teamwork and communication.</p> <p>The results of the assessment of the Directors and the Board’s effectiveness as a whole were collated by the Company Secretaries and were tabled to the NC for deliberation. Thereafter, the findings of the NC were tabled to the Board for notation.</p> <p>Overall, the NC was satisfied with the performance and contribution by each individual director in discharge of his/her respective duties during the year 2021 and the NC concluded that the Board and Committees members have performed well and committed to their role and responsibilities throughout the year.</p>

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

Intended Outcome

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

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

Practice 7.1

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

Application	: Applied
Explanation on application of the practice	<p>The Board consists solely of Non-Executive Directors.</p> <p>In accordance with the Constitution of the Company, the remuneration of Non-Executive Directors and Board' Committee's members are by fixed sum per annum depending on the role of the director.</p> <p>In addition to the fixed fees, the Non-Executive Directors shall be entitled to be repaid all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or General Meeting.</p> <p>Pursuant to Clause 104(1) of the Constitution, no fees are to be paid to Alternate Directors.</p> <p>According to Section 230 of the Companies Act 2016, the fees and any benefits payable to the directors, including any compensation for loss of employment of directors of a listed company and its subsidiaries, shall be approved at a general meeting.</p> <p>Although the Company does not have a specific policy for the Senior Management remuneration package, the Company has in place a framework to guide the Remuneration Committee ("RC") in evaluating the Senior Management's remuneration package to recommend to the Board. Thereafter, the RC's recommendation is tabled to the Board for deliberation and approval.</p> <p>The remuneration structure is detailed in the Corporate Governance Overview Statement contained in the Annual Report. A copy of the Annual Report is made available on the Company's website at</p>

	https://cyclecarriage.com.my/investor-relations/annual-report/.	
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>During the year in review, the Board has a Remuneration Committee (“RC”) which consists of three (3) members, two (2) of whom are Independent Non-Executive Directors.</p> <p>The RC assists the Board to review the remuneration packages for its Directors, Senior Management, and employees and thereafter, makes recommendations to the Board.</p> <p>The RC evaluates the CEO’s performance against his goals and targets. The results of the review including its recommended package for the Chief Executive Officer will be presented to the Board for its deliberation.</p> <p>The Board has merged the Nomination Committee and RC into a single committee known as “Nomination and Remuneration Committee” (“NRC”) effective 1 February 2022.</p> <p>The Terms of Reference of the NRC is set out in the Board Charter, a copy of which is available on the Company’s website at https://cyclecarriage.com.my/about-us/corporate-governance/.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure	:		
Timeframe	:		

Intended Outcome

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	:	Details regarding the Directors' fees are disclosed on a named basis in the Corporate Governance Overview Statement in the Company's Annual Report 2021.

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	Chan Tze Choong Eric	Non-Executive Non-Independent Director	75	11					86	-	-	-	-	-	-	-
2	Rossana Annizah binti Ahmad Rashid	Non-Executive Non-Independent Director	50	10					60	-	-	-	-	-	-	-
3	Lee Yoke Khai	Independent Director	67	15					82	-	-	-	-	-	-	-
4	Anthony Albert Collingridge	Independent Director	65	15					80	-	-	-	-	-	-	-

Intended Outcome

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

Practice 8.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The aggregate quantum of Senior Management's remuneration is disclosed in the Notes to the Financial Statements in the Annual Report.</p> <p>The Board is of the view that detailed disclosure of Senior Management's remuneration components is not in the best interest of the Group, as it may give rise to recruitment and talent retention issues.</p>
		<p>The Board acknowledges the importance of talent retention to drive the Company's long-term objectives. The Company reviews the remuneration components annually and measures them against the goals set for the following year to ensure that its package is competitive to motivate Senior Management's performance. The annual salary increment, bonus framework, short-term and long-term incentive plans are discussed and approved at RC level.</p>
		<p>For further details on the remuneration structure, please refer to the Corporate Governance Overview Statement in the Company's Annual Report 2021.</p>
<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	:	

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The positions of the Chairman of the Board and Chairman of the Audit Committee ("AC") are held by different individuals during the year in review.</p> <p>The Board was chaired by Mr. Chan Tze Choong Eric whilst the AC was chaired by Mr. Lee Yoke Khai.</p> <p>Mr. Lee Yoke Khai is the Senior Independent Non-Executive Director. Therefore, the requirement under Paragraph 15.10 of the Main Market Listing Requirements of Bursa Securities is complied with.</p> <p>His full profile is made available in the Company's Annual Report and in the Bursa announcement in relation to his appointment dated 17 June 2020.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied
Explanation on application of the practice	:	This policy is set out in the Audit Committee's Terms of Reference in the Company's Board Charter. Mr Lee Yoke Khai, the current Chairman of the Audit Committee, was a former key audit partner of the Company's external auditor prior to 2018. The minimum 3-years cooling-off period was observed.
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 Audit Committee assessed the suitability, objectivity, and independence of the external auditor on an annual basis by:</p> <ul style="list-style-type: none"> (i) evaluating its performance throughout the year in review; (ii) obtaining feedback from Directors and Senior Management; and (iii) obtaining affirmation from the external auditor that it maintained its independence in accordance with the By-laws on Professional Ethics, Conduct and Practice of the Malaysia Institute of Accountants. <p>The annual performance evaluation covers the following criterion:</p> <ul style="list-style-type: none"> (i) Calibre of external audit firm; (ii) Quality processes/performance; (iii) Audit team's skills, industry knowledge and performance; (iv) Independence and objectivity; (v) Audit scope and planning; (vi) Audit fees; and (vii) Audit communications.
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	:	Not Adopted
Explanation on adoption of the practice	:	

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>All members of the Audit Committee ("AC") are financially literate and have sufficient understanding of the Company's business. They keep abreast of the relevant accounting/auditing standards by meeting with the Company's external auditors and by attending various training/seminars throughout the year.</p> <p>Collectively, the AC possesses a wide range of necessary skills including change management, communication, finance, human resource management, information technology, mergers & acquisitions, resource management, strategic planning, taxation and treasury management, to discharge their duties.</p> <p>An annual assessment is carried out with a view to maximising the performance of the AC in the interests of the Company.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.1

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

Application :	Applied
Explanation on application of the practice :	<p>Risk management is embedded in the day-to day management and governance of the Company.</p> <p>Management is authorised by the Board to comprehensively identify and assess significant risks covering likelihood of occurrence, magnitude and speed of impact. The Management is also required to identify and evaluate the adequacy and implementation of mechanisms to manage, mitigate, avoid or eliminate these risks. The process encompasses assessments and evaluations at business unit process level before being examined from a Group perspective. Reports are updated on a bi-annual basis and submitted to Jardine Cycle & Carriage Limited.</p> <p>The Board is kept updated on key risks. Once a year, a written report is presented to the Audit Committee on significant risks, measures taken by the Management to address them and the residual risk exposure impacting the Group. The Board then reviews and discusses with Management at Board Meetings the summary of risk tolerance and additional internal controls to be implemented, if any. Additional to this process, Jardine Matheson Group Audit and Risk Management ("GARM") act as internal auditors, updating the Audit Committee on the Group's internal audit activities by tabling the Internal Audit Report to the Audit Committee on a quarterly basis.</p> <p>The internal control system of the Company consists of:</p> <ul style="list-style-type: none">(i) Organisation structure and well-defined lines of responsibilities and delegated authority;(ii) Independence of the Audit Committee;(iii) Comprehensive budgeting and monitoring processes;(iv) Performance measurement;(v) Monitoring and review; and(vi) Adoption of limits of authority to govern the day-to-day operations of the Group approved by the Board collectively. <p>The Statement on Risk Management and Internal Controls</p>

	("SORMIC") which provides an overview of the state of internal controls within the Company set out in the Company's Annual Report 2021.	
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	:	The features of the Group's risk management and internal control framework are disclosed in the Statement of Risk Management and Internal Controls, in the Company's Annual Report 2021.
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 Group's internal audit function is performed by Jardine Matheson Group Audit and Risk Management ("GARM"). GARM is an independent function within the Jardine Matheson Holdings Limited to assess the adequacy of internal controls and to monitor the effectiveness of the established controls.</p> <p>Functionally, GARM reports periodically to the Audit Committee on the general control environment of the Group and GARM has unrestricted access to the Audit Committee.</p> <p>GARM performed the following activities:</p> <ul style="list-style-type: none">(i) Identifying risk areas;(ii) Implementing control measures;(iii) Monitoring controls;(iv) Assessing the overall control environment of the Company to ensure its effectiveness; and(v) Updating the AC on the internal audit plan on quarterly basis. <p>The scope of activities of internal audit during the year 2021 included audits on the Group's operations, business continuity plan and disaster recovery plan.</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 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>GARM is headed by Mr Thomas Tan, a qualified member of CPA Australia and HKICPA.</p> <p>GARM is staffed with 20 internal audit personnel (as of 13 December 2021) including the Head of GARM. The internal audit personnel have professional qualifications and have prior relevant experience mostly with the Big 4 accounting firms. They are also free from any relationship or conflicts of interests which could impair their objectivity and independence from acting as internal auditor of the Company.</p> <p>Based on the above, GARM has adequate resources and appropriate standing to undertake its activities independently and objectively to provide reasonable assurance to the Audit Committee regarding the adequacy and effectiveness of the Group’s internal control systems, and assist the Board in monitoring and managing risks and internal controls.</p> <p>GARM reviews internal controls in all key activities of the Group and recommends improvement in controls and procedures. During the financial year, GARM review the Group’s head office function, operations, IT systems and infrastructure, as well as dealership sales and aftersales. GARM also advised the Management on the risk identification process, risks identified in the audit plan and its recommendation on control measures and monitoring controls.</p> <p>The Audit Committee approves the internal audit plan of GARM each year. The scope of the internal audit covers the audits of significant units and operations, including subsidiaries. GARM reports its findings to the Audit Committee every quarter.</p> <p>GARM is independent of the activities it audits and performs its duties with impartiality and due professional care. The internal audit work is</p>

	<p>carried out according to the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors and COSO framework. GARM's activities are reviewed by external consultants at least once every five years, with the last External Quality Assessment performed in 2019. Based on the review, it was concluded that GARM was effective in providing independent assurance and is in conformance with the standards of the Institute of Internal Auditors. In addition, an internal quality survey conducted independently by Jardine Matheson in 2021 concluded that GARM was effective in providing internal audit services.</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

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 is guided by the disclosure requirements and continuing listing obligations prescribed in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.</p> <p>The Company ensures that updates on material information and significant development to corporate matters disclosed timely to all stakeholders.</p> <p>The Company announces its quarterly financial results as early as possible and typically, publishes its audited financial statements within 3 months after the end of the financial year.</p> <p>The Company also utilises its corporate website as a communication platform with its shareholders wherein it publishes the group's policies, annual reports, notice of meetings, minutes of meetings and financial results.</p> <p>Shareholders were also given the opportunity to raise queries prior to and during the course of the AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The notice for the Company's 53rd Annual General Meeting ("AGM") held on 25 June 2021 was dispatched to shareholders on 22 April 2021.</p> <p>Further, notwithstanding the AGM of the Company was held in June 2021, the Annual Report, and the audited financial statements of the Company for FYE 31 December 2020 was published on 22 April 2021, allowing shareholders up to 2 months to go through year 2020 performance prior to the AGM.</p> <p>The notice period given was well in advance of the 21-day statutory requirement. The additional time given to the shareholders provided them time to peruse the circular, annual report, to consider the resolutions that were tabled at the general meetings, as well as to make arrangement to participate in the fully virtual general meeting or to appoint proxies to participate on their behalf.</p> <p>The explanatory notes contained in the notice of the AGM provided an explanation of the resolutions proposed as Special Business to brief the shareholders on the proposals and to assist them to make informed decision in exercising their voting rights.</p> <p>Along with the notice of AGM, a detailed administrative guide was also circulated to all shareholders to guide them on participating in the Company's 1st fully virtual general 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	:		
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Intended Outcome

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

Practice 13.2

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

Application	:	Applied
Explanation on application of the practice	:	All the Directors attended the 53 rd Annual General Meeting (“AGM”) of the Company held on 25 June 2021 to address questions from shareholders and proxies. Apart from the Directors, the Chief Executive Officer and Chief Financial Officer, management, company secretary and external auditor also participated in the AGM to respond to the shareholders’ queries.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>Due to the nationwide movement control order in June 2021, the 53rd Annual General Meeting (“AGM”) was held fully virtually for the first time in accordance with the Guidance and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia.</p> <p>The fully virtual AGM was conducted via Boardroom’s Meeting Platform: https://web.lumiagm.com/</p> <p>A tutorial and dry run on how to use the remote voting facilities was conducted to assist shareholders and proxies to familiarise themselves with the remote voting process. Shareholders and proxies were also briefed on the use of the Query Box facility for submission of query real time during the meeting.</p> <p>Online voting commenced right after the tutorial to allow shareholders and proxies (prior to presentation by management) to cast their votes early should they wish to do so. After all items on the agenda have been deliberated, the polling session remained open for another 5 minutes.</p> <p>An independent scrutineer was appointed to observe and witness the entire voting process starting from the registration until the end of AGM. Upon verification of the voting results by the independent scrutineer, the poll results detailing the number of votes cast for and against each resolution and the respective percentages were announced via Bursa LINK after 5pm on the same day.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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>Shareholders were given the opportunity to raise queries 2 months ahead of the 53rd Annual General Meeting of the Company (“AGM”) via:</p> <ul style="list-style-type: none"> (i) email to ccbgeneralmeeting@cyclecarriage.com.my; or (ii) electronic submission through Boardroom website at www.boardroomlimited.my <p>The Q&A session was kept open throughout the virtual AGM allowing members/proxies the opportunity to pose questions real time (in the form of typed text) throughout the meeting via the query box facility.</p> <p>All queries raised pre-AGM and during the virtual AGM were published live for shareholders and proxies’ reference throughout the AGM and were answered in real time by the Board and Senior Management during the meeting.</p> <p>The written responses to all queries raised were recorded in the minutes of the AGM.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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.

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.

Application	: Applied
Explanation on application of the practice	<p>Due to the rise in Covid-19 cases within the country and nationwide movement control order, the 53rd Annual General Meeting (“AGM”) was held fully virtually.</p> <p>The fully virtual meeting was conducted via Boardroom’s Lumi platform: https://web.lumiagm.com/, which supported:</p> <ul style="list-style-type: none">(i) live-video stream of all directors, senior management, company secretary and external auditors who participated in the AGM to address queries from shareholders;(ii) tutorial video to guide shareholders and proxies through the voting procedure;(iii) online poll voting and submission of queries by shareholders and proxies throughout the meeting. <p>The broadcast of the AGM and the online poll voting went smoothly without any technical glitch or downtime.</p> <p>Notwithstanding the AGM was carried out fully virtually, the Company provided avenue to shareholders to raise queries 2 months ahead of the AGM via:</p> <ul style="list-style-type: none">(i) email to ccbgeneralmeeting@cyclecarriage.com.my; or(ii) electronic submission through Boardroom website at www.boardroomlimited.my <p>Members/Proxies were also given the opportunity pose questions real time (in the form of typed text) during the AGM via the query box facility.</p> <p>All queries raised were published live for shareholders and proxies’ reference throughout the AGM and were answered in real time by the Board and Senior Management. Further, the written responses are</p>

	recorded in the minutes of the 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 :		

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 :	Minutes of the 53 rd Annual General Meeting of the Company was published on the Company's website within a month from the date of the meeting.
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
PERSUANT 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.

Not Applicable
