

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0229
COMPANY NAME : MOBILIA HOLDINGS BERHAD
FINANCIAL YEAR : December 31, 2020

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 :	The Board of Directors ("Board") oversees the business and affairs of the Company and will assume, amongst others, the following duties and responsibilities: a) Oversight of the Mobilia Group's corporate strategies, including its control and accountability systems; b) Board and Executive Management development and succession planning; c) Monitoring compliance with all relevant legal, tax and regulatory obligations; d) Reviewing and monitoring systems of risk management and internal compliance and controls, codes of conduct, continuous disclosure, legal compliance and other significant corporate policies; e) Monitoring Executive Management's performance and implementation of strategy and policies, including assessing whether appropriate resources are available; and f) Approving and monitoring financial and other reporting to the market, shareholders, employees and other Stakeholders; and Various Committees was established to assist the Board's in discharging its duties and responsibilities effectively, namely Audit and Risk Management Committee ("ARMC"), Remuneration Committee ("RC") and Nominating Committee ("NC"). The Board also delegates the day-to-day management of the Group's business to the Management team lead by the Managing Director to drives the daily business activities. A copy of the Board Charter and Terms of Reference of the Board Committees are available on the Company's website at www.mobiliainternational.com which further details the duties and responsibilities of Board and 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 1.2

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	:	The Chairman of the Board holds a Non-Executive position and is responsible for the overall leadership and efficient functioning of the Board. The key roles of the Chairman, amongst others, are as follows: a) Providing leadership for the Board; b) Overseeing the Board in the effective discharge of its supervisory role; c) The efficient organisation and conduct of the Board's function and Meetings; d) Facilitating the effective contribution of all Directors; e) Briefing of all Directors in relation to issues arising at Meetings; f) The promotion of constructive and respectful relations between Board Members and between the Board and Management; g) Committing the time necessary to discharge effectively his/her role as Chairman; and h) Scheduling regular and effective evaluations of the Board's performance. (i) Setting the board agenda and ensuring that board members receive complete and accurate information in a timely manner; and (ii) Ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the board as a whole.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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	:	The roles of the Chairman and the Managing Director ("MD") are held by different individuals and the responsibilities of the Chairman and MD are clearly divided to ensure that there is a balance of power and authority. The Chairman, an Independent Non-Executive Director is primarily responsible for ensuring the effective conduct of the Board whereas Executive management is led by the Managing Director who is responsible for the day to day management of the business as well as the implementation of the Board policies, decisions and operational effectiveness. The key roles and accountabilities of the Chairman and MD are set out in the Board Charter which is available on the Company's website: www.mobiliainternational.com	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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 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	:	The Company Secretaries have the requisite, credentials, and is suitably qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016. The Company Secretaries plays a significant role in supporting the Board to ensure that all governance matters and Board procedures are followed and that the applicable laws and regulations and the MCCG are complied with. These include obligations of Directors relating to disclosure of interests and disclosure of any conflicts of interest in transaction within the Group. The Company Secretaries organises and attends all Board and Board Committees meetings and ensures meetings are properly convened; accurate and proper records are maintained accordingly at the Registered Office of the Company, and produced for inspection, if required. All Directors have unrestricted access to the advice and services of the Company Secretary to enable them to discharge their duties effectively. The Company Secretaries also advises the Board on any updates relating to new statutory and regulatory requirements pertaining to the duties and responsibilities of Directors. The Company Secretaries constantly keep themselves abreast of the regulatory changes and governance developments through attendance of trainings, workshops and conferences. The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in the discharge of her functions.
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

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	:	A formal and structured agenda, together with a set of Board and Board Committees papers, are forwarded to all Directors at least seven (7) days prior to the Board and Board Committees meetings, to enable the Directors have a clear and adequate understanding on the subject matters arising and thus make an informed decisions. Management Team and external advisers are invited to attend Board and Board Committees meetings, as the case may be, to provide additional insights and professional views, advice and explanations on specific items on the meeting agenda. During financial year 2020, the Board conducted one Board of Directors' meeting on 26 June 2021. All pertinent issues discussed at Board meetings in arriving at the decisions and conclusions are properly recorded by the Company Secretary by way of minutes of meetings and circulated to Board of Directors accordingly.
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	:	The Board recognises the importance of establishing a single source of reference for Board activities through a Board Charter. As such, the Board has adopted a Board Charter to clearly delineate the roles of the Board, Board Committees and Management in order to provide a structured guidance for Directors and Management regarding their responsibilities of the Board, its Committees and Management, including the requirements of Directors in carrying out their stewardship role and in discharging their duties towards the Group as well as boardroom activities. The salient features of the Board Charter are also accessible by the public through the Company website: www.mobiliainternational.com. The Board shall review the Board Charter periodically so as to ensure consistency with the prevailing regulations, listing requirement of Bursa Malaysia Securities Berhad ("Bursa Securities") and Malaysia Code of Corporate Governance 2017 ("MCCG").
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	:	The Board has formalised a Code of Conduct and Ethics which aims to instil, internalise and uphold the value of 'uncompromising integrity' in the behaviour and conduct of the Board of Directors, and employees of the Company. The Directors and employees are expected to observe high standards of integrity and fair dealing in carrying out day-to-day duties and operations of the Group The Code of Conduct and Ethics is accessible through the Company website: www.mobiliainternational.com and it will be reviewed periodically to remain relevant and appropriate. The Group adopted zero-tolerance approach to bribery and corruption and Anti-Bribery and Corruption Policy was established to provide guidance on how to recognize and deal with bribery and corruption issues to ensure the Group's businesses are conducted in honest, ethical and transparent manner. This policy is also accessible through the Company website: www.mobiliainternational.com and the objectives is clearly stated in it.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	The Group has established and put in place a Whistleblowing policy to eradicate unethical behaviour in the workplace, and as an avenue for any persons, including but not limited to the employees, and stakeholders as well as members of the public a safe channel of reporting of concerns about possible improprieties. Complaints can be made in writing to Whistleblowing Committee by submitting the Whistleblowing Report Form or email to whistleblowing@mobilaiinternational.com as stipulated in the Whistleblowing Policy. Whistle-blowers' identities are kept in confidence to the extent possible to facilitate independent investigations for appropriate remedial and follow up actions. A copy of Whistleblowing Policy is available on the Company website: www.mobilaiinternational.com
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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	:	The Board comprises five Directors and one Alternate Director, of whom three are Independent Non-Executive Directors. In this respect, the Board has complied with the Ace Market Listing Requirements of Bursa Malaysia Securities Berhad to have at least one-third (1/3) of the Board membership consisting of Independent Directors. The existing Independent Non-Executive Directors have accounted for fifty (50%) of the Board composition which is in line with the best practice recommended by Malaysian Code on Corporate Governance ("MCCG").
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 4.2

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 justify and seek annual shareholders' approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.

Application	:	Not applicable - No independent director(s) serving beyond 9 years	
Explanation on application of the practice	:		
Explanation for departure	:	None of the Independent Directors exceed a cumulative term of 9 years	
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 4.3 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years.

Application	:	Adopted
Explanation on adoption of the practice	:	The Board has set in the Board Charter that the tenure of an independent directors shall not exceed a cumulative term of nine (9) years. Upon completion of the 9 years, the independent director may continue to serve on the Board as a non-independent director.

Intended Outcome

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

Practice 4.4

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.

Application	:	Applied
Explanation on application of the practice	:	Appointment of Board and Key Management is based on objective criteria, merit and besides gender diversity, due regard is placed for diversity in skills, experience, age and cultural background. A Nominating Committee ("NC") is appointed to assist the Board of Directors in discharging its responsibilities: (i) Composition of the Board of Directors, Evaluation and Nominating Activities • Review the composition and size of the Board of Directors and determine the criteria for membership on the Board of Directors, which may include, among other criteria, issues of character, judgment, independence, diversity, age, expertise, corporate experience, length of service, other commitments and the like; • Conduct periodic evaluations of the Board of Directors as a whole and the Committee; • Identify, consider and select, or recommend for the selection of the Board of Directors in compliance with the Company's bylaws and its shareholder nominations and recommendations policy; • Evaluate the performance of individual members of the Board of Directors eligible for re-election, and select, or recommend for the selection of the Board of Directors, the director nominees for election to the Board of Directors by the stockholders at the annual meeting; and • To give full consideration to succession planning for directors and key management in the course of its work, taking into account the challenges and opportunities facing the company, and the required skills and expertise that are needed by the Board in future. (ii) Committees of the Board of Directors • Periodically review the composition of each committee of the Board of Directors and make recommendations to the Board of Directors for the creation of additional committees or the change in mandate or dissolution of committees; and • Recommend to the Board of Directors persons to be members of the various committees.

	In performing its duties, the Committee shall have the authority to obtain advice, reports or opinions from internal or external legal counsel and expert advisors, including any search firm to be used to identify candidates for the Board of Directors, and shall have sole authority to approve such experts' fees and other retention terms.	
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 4.5

The board discloses in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	The Board is supportive of the gender boardroom diversity recommended by the MCCG. The Board currently has two. (2) female Independent Non-Executive Directors, representing 33.33% of the Board. The Board, through the NC will continuously review the proportion of the female and male Board members during the annual assessment of the Directors' performance taking into consideration the appropriate skills, experience and characteristics required by the members of the Board, in the context of the needs of the Company. The Board shall be responsible for recommending its members for election by the Shareholders.	
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 4.6

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.

Application	:	Applied
Explanation on application of the practice	:	The Nominating Committee does not solely rely on recommendations from either the Management, the existing Board member(s) or major shareholder(s) for the proposed appointment of Directors of the Company. The Nominating Committee may also obtain the list of suitable candidates from independent sources such as directors' registry, open advertisement or use of independent search firms in furtherance of their duties at the Company's expense, subject to approval by the Board, depending on the amount of the fees involved. In the event that the selection process was based solely on the recommendations made by the Management, the existing Board member(s) or major shareholder(s), the Nominating Committee will explain why other sources were not used.
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 4.7

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

Application	:	Applied
Explanation on application of the practice	:	The Nominating Committee is chaired by the Independent Non-Executive Chairman, Datin Siah Li Mei and comprises with a majority of whom are non-independent. The members of the Nominating Committee are: 1. Datin Siah Li Mei (Chairman, Independent Non-Executive Chairman) 2. Tajul Arifin Bin Mohd Tahir (Member, Independent Non-Executive Director) 3. Quek Wee Seng (Member, Managing Director) The Nominating Committee operates under its terms of reference and had one (1) meeting during the financial year ended 31 December 2020 which was attended by all members.
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 5.1

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 and its outcome.

For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.

Application	:	Applied
Explanation on application of the practice	:	The Board through the Nominating Committee's annual assessment exercise believes that the current composition of the Board brings the requisite mix of skills and core competencies required for the Board to discharge its duties effectively. The Nominating Committee continuously reviews its size and composition with particular consideration on its impact on the effective functioning of the Board. The Nominating Committee is also tasked to review succession plans and boardroom diversity and to develop criteria for the assessment of the Board, Board Committees and individual Directors, including where appropriate, criteria on assessing the independence, contribution and performance of the Board and Committee members. In respect of the assessment for the financial year ended 31 December 2020 which was carried out via questionnaires, the Board was satisfied that the Board and Board Committees have discharged their duties and responsibilities effectively. The Board was also satisfied that the Board composition in terms of size, the balance between Executive Directors, Non-Executive and Independent Directors and mix of skills was adequate.
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 6.1

The board has in place 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 policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	The Board has in place a remuneration policy which aims to attract and retain Directors and senior management in pursuing good corporate governance and hence ensuring sustainability of the Group. The Remuneration policy is reviewed from time to time to ensure that the remuneration of Directors and senior management are on par with those of other public listed companies in order to ensure competitive remuneration policy that reflects the prevailing market rate. The Remuneration Policy is available at the Company's website: www.mobiliainternational.com
Explanation for departure		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 6.2

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	:	The Remuneration Committee was established on 16 June 2020 and is primarily responsible for the development and review of the remuneration policy and packages for the Board members. The Terms of Reference of the Remuneration Committee is published on the website of the Company at www.mobiliainternational.com The Remuneration Committee comprises wholly of Non-Executive Directors, as follows: 1. Tajul Arifin Bin Mohd Tahir (Chairman, Independent Non-Executive Director) 2. Datin Siah Li Mei (Member, Independent Non-Executive Chairman) 3. Lim See Tow (Member, Independent Non-Executive Director) The Remuneration Committee had one (1) meeting during the financial year ended 31 December 2020 which was attended by all members. The Remuneration Committee as a whole recommends the remuneration of Non-Executive Directors in accordance with the fiduciary duties, experience, level of responsibilities undertaken and time commitments to the Board and shareholders' approval be sought at the Annual General Meeting ("AGM"). Individual Directors are abstaining from voting in respect of their individual remuneration.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 7.1

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 each individual Directors was disclosed on a named basis in the Corporate Governance Overview Statement of the Annual Report.	
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

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 7.2

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	:	The Group is aware of the importance of transparency in disclosing the remuneration of its senior management. However, in view of the confidentiality and sensitivity of each remuneration package, and concerns over potential poaching by competitors and head hunters, to the best interest of the Group, the Board is in the opinion that it is not in the best interest of the Company to make such disclosure on the remuneration of the Senior Management.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
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 7.3 - 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	:	

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 8.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the Audit and Risk Management Committee ("ARMC"), Ms Lim See Tow is not the Chairman of the Board. She is an Independent Non-Executive Director and a member of the Malaysian Institute of Accountants (MIA).	
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 8.2

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

Application	:	Applied
Explanation on application of the practice	:	As stated in the Term of Reference, the Company has incorporated the requirement to observe a 2-years cooling-off period for a candidate whom is a former key audit partner before being appointed as a member of the ARMC. Nonetheless, none of the ARMC is a former key audit partner as at the date of this Report. A copy of the Term of Reference is published on the Company's website at www.mobiliainternational.com.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 8.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor.

Application	:	Applied
Explanation on application of the practice	:	The ARMC is empowered by the Board to review any matters concerning the appointment and re-appointment, resignations or dismissals of external auditors and review and evaluate factors relating to the independence of the external auditors. The Company has out in place the policies and procedures in assessing the sustainability and independence of the external auditors. The ARMC undertakes an annual assessment of the suitability and independence of the external auditors in accordance with the independence criteria set out by the International Federation of Accountants and the Malaysian Institute of Accountants ("MIA"). Only non-audit services which are able to provide clear efficiencies and value-added benefits to the Group and do not impede the external auditors' audit works will be accepted by the ARMC. The ARMC also seeks written assurance from the external auditors, confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out by the MIA. The external auditors provide such declaration in their annual audit plan presented to the ARMC prior to the commencement of audit for a particular financial year. Having regard to all the factors, the Board was satisfied with Crowe's performance and shareholders' approval be sought at the forthcoming AGM for the reappointment of Crowe as the external auditors of the Company.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The ARMC comprises 3 Non-Executive Directors of whom all are Independent Directors. On the composition, please refer to the Corporate Information of Annual Report on page 3.

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 8.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate 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	:	The ARMC was established on 16 June 2020 to assist the Board on the discharge of its duties on financial reporting. The Chairman of ARMC is a member of Malaysian Institute of Accountants. The composition of the ARMC, including its roles and responsibilities are set out in the Audit and Risk Management Committee Report. To assist the Board in reviewing the financial information and to ensure compliance with applicable financial reporting standards, the ARMC members continuously undertake professional development to keep abreast of relevant developments in accounting and auditing standards, practices and rules.
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 9.1

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

Application	:	Applied
Explanation on application of the practice	:	In dealing with its stewardship responsibilities, the Board recognises that an effective risk management is part of good business management practice. The Board acknowledges that all areas of the Group's activities involve some degree of risk and is committed to ensuring that the Group has an effective risk management framework and internal control system which will allow the Group to be able to identify, evaluate, monitor and manage risks continuously that may affect the achievement of the Group's business objectives. On-going reviews are performed by the Key Management Team on yearly basis to identify, evaluate, monitor and manage significant risks affecting the business and ensure that adequate and effective controls are in place. The risk management framework adopted is in line with ISO31000:2018 principles and guidelines and details of the Group's risk management and internal audit framework are set out in the Statement on Risk Management and Internal Control of the 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

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 9.2

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 key elements and features of the Group's Risk Management Framework and Internal Control System are disclosed under the Statement on Risk Management and Internal Control in the Annual Report 2020. The Risk Management and Internal Control System is regularly reviewed by the Board to ensure that the system in place is appropriate, adequate and effective.	
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

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 9.3 - 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	:	Adopted
Explanation on adoption of the practice	:	The ARMC comprises of: Chairman: Lim See Tow (Independent Non-Executive Director) Members: Tajul Arifin Bin Mohd Tahir (Independent Non-Executive Director) Datin Siah Li Mei (Independent Non-Executive Director Chairman)

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 10.1

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	:	The Group's internal audit function is outsourced to an independent external consultant, Tricor Axcelasia Sdn Bhd, subsequent to the listing of Company on ACE Market of Bursa Malaysia on 23 February 2021 to provide an independent appraisal over the system of internal control of the Group and report to the ARMC. The internal auditors adopt a risk-based approach and prepares its audit strategy and plan for financial year 2021 based on the risk profiles of the business units of 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

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

Practice 10.2

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	:	The Group has outsourced its internal audit function to an independent external consultant ("Internal Auditors"), Tricor Axcelasia Sdn Bhd subsequent to the listing of Company on ACE Market of Bursa Malaysia on 23 February 2021. The internal audit personnel assigned by the Internal Auditors are free from any relationships or conflicts of interest, which could impair their objectivity and independence pursuant to the written declaration made by them. The Engagement Director is Mr Chang Ming Chew, who holds a Certified Internal Auditor (CIA), Certification in Risk Management Assurance (CRMA), and Certified Information Systems Auditor (CISA); and is a professional member with the institute of Internal Auditors of Malaysia (IIAM), the Association of Chartered Certified Accountants (ACCA), and the Malaysia Institute of Accountants (MIA). The Internal Auditors performs its work as guided by a recognised framework, the International Professional Practices Framework (IPPF) issued by the Institute of Internal 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 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 11.1

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

Application	:	Applied
Explanation on application of the practice	:	The Company recognises the importance of being transparent and accountable to its stakeholders and, as such, maintains an active and constructive Investor Relations and Corporate Disclosure Policy to promote effective engagement, fair and accurate information disclosure to employees, stakeholders and the general public. The various channels of communications are through meetings with institutional shareholders and investment communities, quarterly announcements on financial results to Bursa Securities, relevant announcements and circulars, when necessary, the annual and extraordinary general meetings and through the Company's corporate website at www.mobiliainternational.com, from which shareholders and prospective investors can access corporate information, annual reports, press releases, financial information, company announcements and share prices of the Company. Investors and shareholders are welcomed to direct their concerns and queries to the designated person via call or email as stated in the Company's website. The Alternate Director to MD is the designated spokesperson for all matters relating to the Group and dedicated personnel are tasked to prepare and verify material information for timely disclosure upon approval by the Board.
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 11.2

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

Application	:	Not Applicable – The Company does not fall under the category of “Large Companies”.	
Explanation on application of the practice	:		
Explanation for departure	:	The Company does not fall under the category of “Large Companies” as defined in the Malaysian Code of Corporate Governance for the time being. Hence, such requirement is not applicable.	
<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 12.1

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	:	The Company dispatched its Notice of Annual General Meeting (“AGM”) to shareholders at least twenty eight (28) days before the AGM in 2021 and will continue to do so for the forthcoming AGMs.	
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 12.2

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	:	The Company's Annual General Meeting ("AGM") provides a vital platform for both individual and institutional shareholders to share viewpoints and acquire information on issues relevant to the Group. Shareholders are encouraged to attend and participate at the AGM by raising questions on the resolutions being proposed or on the Group's business operations in general. Shareholders who are unable to attend are allowed to appoint proxies. Shareholders and the public are welcomed to convey their concerns and queries to the Board of Directors. The Board Chairman and Committee members including the Audit and Risk Management Committee, Remuneration Committee and Nominating Committee, the external auditors and where applicable, other advisers of the Company are fully aware of their responsibilities and would commit themselves to present to answer queries at the AGM as well as to discuss with shareholders and invited attendees and members of the press.
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 12.3

Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate—

- including voting in absentia; and
- remote shareholders' participation at General Meetings.

Application	:	Applied
Explanation on application of the practice	:	This is the first AGM of the Company since the Company was listed on the ACE Market of Bursa Malaysia on 11 February 2020. The Company always makes sure that its meeting is held at an accessible location but not in remote areas in order to encourage shareholders to attend and participate in the meeting. In view of the COVID-19 outbreak and as part of the safety measures, the Company will conduct the 1st AGM on a fully virtual basis through live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities. This is in line with the Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 18 April 2020 and subsequently revised on 6 May 2021 (including any amendment that may be made from time to 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	:	

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

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

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