

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0023
COMPANY NAME : IFCA MSC BERHAD
FINANCIAL YEAR : December 31, 2023

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<ul style="list-style-type: none"> • The Board leads and has effective control over the Group, whereby collective decision and close monitoring are conducted on issues relating to corporate governance, strategic direction, succession planning, risk management, internal controls, formulation of policies and oversight of the Group's business and investment. • The Board has a Board Charter which sets out the roles and responsibilities of the Board Members. The matters reserved for the collective decision of the Board are listed in Appendix A of the Board Charter, which is available on the corporate website at https://ifca.asia. • The Board also oversees matters delegated to the Management, whereby updates are reported to the Board at least on a quarterly basis. Delegation of Authority Chart is adopted and approved by the Board, which the Management has to adhere to in carrying out its day-to-day functions. • The Board has delegated certain responsibility in carrying out its functions to the following committees: <ol style="list-style-type: none"> i. Audit and Risk Management Committee ii. Nomination Committee iii. Remuneration Committee • The powers delegated to the Committees are set out in the Terms of Reference of each Committee, as approved by the Board and set out in the Appendices B, C and D of the Board Charter which is available on the corporate website at https://ifca.asia. <p>The Board through the Nomination Committee and Remuneration Committee, is responsible to ensure that there is effective succession planning, for formulating the nomination, selection and succession policies and remuneration packages for the Group's key management positions.</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 1.2

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	:	<ul style="list-style-type: none"> • The Chairman, Mr Yong Keang Chuen, leads the Board and is primarily responsible for matters pertaining to the Board and the overall conduct of the Group. • The Chairman is committed for instilling good corporate governance practices and anti-bribery and corruption policies in the Group and has been leading the Board toward high performing and healthy corporate culture that engenders integrity, transparency and fairness. • Key responsibilities of the Chairman include the following: <ul style="list-style-type: none"> - Setting strategic direction in sustaining the overall growth of the Group; - Setting the board agenda and ensuring that board members receive complete and accurate information in a timely manner; - Leading board meetings and discussions; - Encouraging active participation and allowing dissenting views to be freely expressed; - Managing the interface between board and management; and - Ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to 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

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	:	<ul style="list-style-type: none"> • The Chief Executive Officer (CEO) position has remained vacant since 1 October 2019. • Currently, the Deputy Chairman, Mr. Yong Kian Keong continues to hold the position of acting CEO of the Group to carry out the roles and responsibilities of the CEO during the transition period. • The Chairman, Mr. Yong Keang Chuen, and the acting Chief CEO, Mr. Yong Kian Keong, both hold separate positions and their respective roles and responsibilities are governed in the Company's Board Charter. • The acting CEO is responsible for day-to-day running and management of business development and operational matters of the Group. • The acting CEO also ensures that there is effective implementation of the Group's Business Plan and policies established 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

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	<ul style="list-style-type: none"> As at the date of this report, the Chairman is neither a member of the Audit and Risk Management Committee, Nomination Committee nor Remuneration Committee.
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<ul style="list-style-type: none"> • The Group outsourced the Company Secretary function. Mr. Ng Yim Kong from Strategy Corporate Secretariat Sdn Bhd was appointed as the Company Secretary of the Company and its Malaysian subsidiaries in 2019. • Mr. Ng Yim Kong is a Fellow Member of the Malaysian Association of Company Secretaries, an Approved Body under Fourth Schedule of the Companies Act 2016 (MACS00305/PC No. 202008000309) • Key responsibilities of the Company Secretary include the following: <ul style="list-style-type: none"> - Ensure proper upkeep of statutory registers and records, and maintain a secured retrieval system which stores meeting papers and minutes of meetings; - Ensure adherence to board policies and procedures, rules, and best practices on corporate governance; - Ensure compliance of listing and related statutory obligations as well as updates on regulatory requirements, codes, guidance and relevant legislation; - Attend Board, Committees and Annual/Emergency General Meetings, and ensure the proper recording of minutes as well as follow-up on matters arising by the Management; and - Assist the Chairman in the preparation of the agenda and conduct of meetings; in relation to policies and procedures, and updates on regulatory requirements, codes, guidance and relevant legislation.
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	:	<ul style="list-style-type: none"> • The Board has full and unrestricted access to all information pertaining to the Group's business and affairs. They have direct access to the advice and service of the Company Secretary and Senior Management of IFCA. • Meeting materials are circulated usually five working days prior to the Board Meeting so that sufficient time is given to allow the Directors to obtain further information and explanation if required, to facilitate informed discussion and decision making. • The deliberations and decisions at Board and Board Committee meetings are well documented in the minutes book, which is kept by the Company Secretary. 	
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	:	<ul style="list-style-type: none"> • The Board Charter was adopted by the Board in 2017 to ensure that all Board members are aware of their fiduciary duties and responsibilities, the various legislations and regulations affecting their conduct, the need for safeguarding the interests of the shareholders, customers, and other stakeholders, and that the highest standards of corporate governance are applied in all their dealings in respect and on behalf of the Group. • Any subsequent amendment to the Board Charter shall only be made after the approval by the Board. • The Board Charter would be periodically reviewed and updated in accordance with the needs of the Group and any new regulations that may have an impact on the discharge of the Board's responsibilities, is subject to the Board's approval. • The Board Charter is available on IFCA's corporate website – https://ifca.asia.
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	:	<ul style="list-style-type: none"> • In 2017, the Group adopted the Code of Conduct and Ethics (“CCE”), which outlines the ethical practices and guidelines applicable to the directors, management and employees of the Group. • The CCE includes the following key areas:- <ul style="list-style-type: none"> - Integrity - Transparency - Accountability - Conflicts of Interest Policy - Anti-corruptions and Bribery Policy - Honesty - No Gift Policy • The CCE will be reviewed as and when deemed necessary to maintain more effective and ethical business conduct. • The CCE document is available on IFCA’s corporate website at https://ifca.asia, and the Employee’s Handbook. • Subsequent to the implementation of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 which came into force on 1 June 2020 to introduce corporate liability, the Group took steps to strengthen its anti-bribery and anti-corruption compliance with adoption of “Anti-Bribery and Anti-Corruption Policy” (“ABAC”) in May 2020. The policy will be reviewed as and when deemed necessary to stay in line with the latest developments of anti-corruption laws in Malaysia. The policy is made available on IFCA’s corporate website, https://ifca.asia. • The Group has adopted “No Gift Policy” to prevent any conflicts of interest in business dealings. The details are included in both CCE and ABAC to ensure that all employees are aware and working towards the Group’s organisational goals.
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 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<ul style="list-style-type: none"> • The Group has in place a Whistle-Blowing Policy to promote the culture of good business ethics and governance, and to encourage the employees to report genuine concerns in relation to breach of a legal obligation (including negligence, corrupt practices, criminal activity, breach of contract and breach of law), miscarriage of justice, danger to health and safety or to the environment and the cover-up of any of these in the workplace. • The Board is responsible for overseeing the implementation of the Whistle-Blowing Policy for Directors, and all whistle-blowing reports are addressed to the Chairman of Audit and Risk Management Committee/Senior Independent Director or the Chairman of the Company. • The Whistle-Blowing Policy is reviewed as and when deemed necessary and available on IFCA's corporate website at https://ifca.asia.
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	:	<ul style="list-style-type: none"> • Sustainability matters are considered material if they can reflect the Company's significant economic, environmental and social impacts; or can substantially influence the assessment and decisions of stakeholders. • In this respect, the Board understands the importance of material sustainable matters and its responsibility in delivering long-term sustainable values for all stakeholders. During the year, sustainability policy is adopted to integrate a philosophy of sustainable development into all IFCA's activities. The Sustainability Policy is available in IFCA's website at https://ifca.asia • IFCA's sustainability governance is led by the Board of Directors' ("the Board"), who deliberates and determines IFCA Group's sustainability strategies and policies in creating values to stakeholders. • The Board is supported by Senior Management, including Chief Project Officer, Chief Financial Officer, Chief Development Officer, Executive Vice President of Business Development and Country Managers. Senior Management oversees the overall strategy implementation and progress as well as review sustainability related information and present it to the Board for deliberation. • To further strengthen the sustainability initiatives, the working level executes and implements sustainability plan in their respective daily job role. • On the same note, the Board will continue to review and improve key performance indicators (KPI) related to sustainability to further enhance its governance practices from time to time.
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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

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

Application :	Applied																			
Explanation on application of the practice	<ul style="list-style-type: none"> The Group recognises the importance of interaction and communication with stakeholders as their feedbacks are critical in keeping the Group's sustainability activities on track. The Board ensures that the communication with internal and external stakeholders are timely and transparent. At IFCA, we communicate with the stakeholders through a variety of channels. The table below contains the list of stakeholders, together with the respective area of interest and approaches: 																			
	<table border="1"> <thead> <tr> <th data-bbox="663 920 1007 1021">Stakeholder</th> <th data-bbox="1007 920 1246 1021">Area of Interest</th> <th data-bbox="1246 920 1457 1021">Engagement Approaches</th> </tr> </thead> <tbody> <tr> <td data-bbox="663 1021 1007 1249">Customers</td> <td data-bbox="1007 1021 1246 1249"> <ul style="list-style-type: none"> Product training New feature Software quality Product responsibility Data privacy Cyber security Continuity </td> <td data-bbox="1246 1021 1457 1249"> <ul style="list-style-type: none"> Software training On-site and off-site support Discussion and demonstration of solutions Customer support line/email Company website Social media </td> </tr> <tr> <td data-bbox="663 1249 1007 1442">Employees</td> <td data-bbox="1007 1249 1246 1442"> <ul style="list-style-type: none"> Working environment Talent development Performance and Remuneration </td> <td data-bbox="1246 1249 1457 1442"> <ul style="list-style-type: none"> Annual staff assessment Training courses Staff gathering activities Internal communication platform Email </td> </tr> <tr> <td data-bbox="663 1442 1007 1603">Government & Regulators</td> <td data-bbox="1007 1442 1246 1603"> <ul style="list-style-type: none"> Compliance with regulations and guidelines National Agenda </td> <td data-bbox="1246 1442 1457 1603"> <ul style="list-style-type: none"> Compliances with rules and regulations Compliance seminar/training Regular review of policies Attend to queries promptly </td> </tr> <tr> <td data-bbox="663 1603 1007 1861">Shareholders/ Investors/ Business Partners</td> <td data-bbox="1007 1603 1246 1861"> <ul style="list-style-type: none"> Timely reporting and updates Dividend Business management and governance Business opportunity Market positioning </td> <td data-bbox="1246 1603 1457 1861"> <ul style="list-style-type: none"> Annual General Meeting Company website Bursa announcement Press release </td> </tr> <tr> <td data-bbox="663 1861 1007 1953">Community</td> <td data-bbox="1007 1861 1246 1953"> <ul style="list-style-type: none"> Corporate Social Responsibility Community wellbeing </td> <td data-bbox="1246 1861 1457 1953"> <ul style="list-style-type: none"> Charitable donations Sponsorships </td> </tr> </tbody> </table>	Stakeholder	Area of Interest	Engagement Approaches	Customers	<ul style="list-style-type: none"> Product training New feature Software quality Product responsibility Data privacy Cyber security Continuity 	<ul style="list-style-type: none"> Software training On-site and off-site support Discussion and demonstration of solutions Customer support line/email Company website Social media 	Employees	<ul style="list-style-type: none"> Working environment Talent development Performance and Remuneration 	<ul style="list-style-type: none"> Annual staff assessment Training courses Staff gathering activities Internal communication platform Email 	Government & Regulators	<ul style="list-style-type: none"> Compliance with regulations and guidelines National Agenda 	<ul style="list-style-type: none"> Compliances with rules and regulations Compliance seminar/training Regular review of policies Attend to queries promptly 	Shareholders/ Investors/ Business Partners	<ul style="list-style-type: none"> Timely reporting and updates Dividend Business management and governance Business opportunity Market positioning 	<ul style="list-style-type: none"> Annual General Meeting Company website Bursa announcement Press release 	Community	<ul style="list-style-type: none"> Corporate Social Responsibility Community wellbeing 	<ul style="list-style-type: none"> Charitable donations Sponsorships 	
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Explanation : for departure		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	<ul style="list-style-type: none"> Notwithstanding that the Group operates in an industry which is exposed to low environmental and climate-related impacts, the Board continues to keep abreast of sustainability issues that are relevant to the Group and its business including climate-related risk. The Company Secretary and Management regularly updates the Board on the changes of Listing Requirements relating to sustainability and enhanced sustainability requirements and guidelines upon receiving circulars/notifications from Bursa Malaysia, which are relevant to the Company. The Audit and Risk Management Committee sets out and review the risk policy from time to time. Significant business risks are identified and evaluated so that risk assessment and risk mitigation can be carried out effectively. The Company will upskill the Board and Senior Management on sustainability issues including climate-related topics with internal trainings whenever necessary. All directors will attend the Mandatory Accreditation Programme Part II, Leading For Impact (LIP) in relation to sustainability training for Directors. 	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Applied
Explanation on application of the practice	:	<ul style="list-style-type: none"> • The Board is assessed through annual Board Effectiveness Evaluation which takes into consideration the performance of Board addressing the Company's material sustainability risks and opportunities. • The Executive Directors have sustainability related KPIs which is associated to their performance evaluations. • The Board and Senior Management would undertake annual sustainability questionnaire so that they could provide valuable insights and feedback to the Company. • The performance evaluation of Senior Management is based on a weighted proportion of key performance indicators to the Company's sustainability considerations. • The sustainability performance metrics contain a balance of short-term and long-term goals which are benchmark against industry norms to ensure consistency and comparability. • During the year, there is no material sustainability risk and initiatives highlighted by the Board and the Senior Management.
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.5- 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	:	<ul style="list-style-type: none"> • The Nomination Committee ("NC") continues to discharge its duties and functions by following the Terms of Reference of NC which are stated in Board Charter, to ensure that the Board composition, performance and tenure of each director are reviewed annually. • In this respect, the NC would review and evaluate the overall Board composition annually based on objective criteria, merit and with due regard of the appropriate size, diversity, required mix of skills, experience, age, cultural background, gender, tenure of service and core competencies. • Based on the outcome of the NC's review, the Board would take the directors' performance as a basis in recommending their re-election to the shareholders. Only those with satisfactory evaluation are recommended to the Board for re-election. • During the year, there is no change in the board composition.
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	:	<ul style="list-style-type: none"> As at the date of this report, the Board comprises six (6) members; of which three (3) are Independent Directors and three (3) are Executive Directors. The Board is in compliance with the Practice 5.2 of the Code which recommends at least half of the board to comprise Independent Directors. 	
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	:	Not applicable - No independent director(s) serving beyond 9 years	
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

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.

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	:	<ul style="list-style-type: none"> • Appointment of the Board and Senior Management is based on objective criteria, merit and with due regard for diversity in skills, experience, age and cultural background. • The Board pursues diversity in both the Board and Senior Management level and is mindful that a diverse board can offer greater depth and breadth, compared to a non-diverse Board. • In making its recommendations to the Board, the Nomination Committee considers and assess the suitability of a new appointment based on objective criteria: <ul style="list-style-type: none"> - Qualification - Skills, experience, expertise; - Professionalism and integrity; and - Time commitment to the Company. • Diversity at the Senior Management level will also provide constructive debates and thought leadership, which will lead to better decisions, innovations and solutions.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	<ul style="list-style-type: none"> • The Nomination Committee (“NC”) is entrusted with the responsibility of recommending the suitable candidates for Directorship to the Board. • On 27 May 2022, Fit and Proper Policy was adopted to serve as a guidance for the NC and the Board in reviewing the potential candidates for Board appointment. The Fit and Proper Policy is available in IFCA’s website at https://ifca.asia. • In undertaking this responsibility, the NC would evaluate the potential candidates based on the fit and proper criteria before recommending to the Board for approval. • The NC would also take from various sources such as industry acquaintance, online platform etc to gain access to a wide pool of potential candidates besides relying on recommendations from existing board members or senior management. • The potential candidates are required to complete the Prospective Director form and self-declaration of fit and proper form, so that the Company is authorised to perform background check, if necessary, which may cover previous employment verification, professional reference checks, education confirmation and/or criminal record and credit checks. • During the year, there is no new director appointed to 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

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	:	<ul style="list-style-type: none"> • The profiles of Directors are set out in the Annual Report. These include their age, position, education background, working experience, directorships in other companies, any conflicts of interest and their shareholdings in the Company. • The Nomination Committee (“NC”) and the Board annually review and assess the retiring directors’ performance before any recommendation is made to the shareholders for consideration and re-election or re-appointment. • The Fit and Proper Policy which was adopted on 27 May 2022 also serves as a guidance for the NC and the Board in reviewing the Directors who are seeking for re-election. • The NC also evaluate the Independent Directors based on their independence, capacity and commitment, to ensure that they provide independent judgement and always act in the best interests of the Company 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

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

Practice 5.8

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

Application	:	Applied
Explanation on application of the practice	:	<ul style="list-style-type: none"> • The Nomination Committee (“NC”) comprises solely of Independent Non-Executive Directors. The NC is responsible for the recommendation of candidates for the appointment of new Directors to the Board. The current members of NC are: <ul style="list-style-type: none"> - Fung Kam Foo (Independent Non-Executive Director) – Chairman (appointed on 29 April 2022) - Eng Kim Haw (Independent Non-Executive Director) – Member (appointed on 1 October 2021) • The NC is chaired by the Independent Director, Mr. Fung Kam Foo. • The principal responsibilities of the NC are: <ul style="list-style-type: none"> - Reviewing the Board composition and proposing new nominees to the Board and Board committees. The NC considers diversity from various areas, including gender, age, ethnicity, academic and professional experience and skills. The NC reviews the appointment and resignation of Chief Financial Officer for the Board’s consideration. - Assessing the effective functioning of the Board and Board Committees to meet the needs of the Group and the contribution of each Director (including the Independent Non-Executive Directors) and Chief Financial Officer every year. The Board takes into consideration the required mix of skills, knowledge, expertise and experience contributed by Independent Non-Executive Directors. - Reviewing the term of office and performance of the Audit and Risk Management Committee and each of its members annually to determine whether the Audit and Risk Management Committee and its members have carried out their duties in accordance with their Terms of Reference. • The Terms of Reference of NC is approved by the Board and set out in the Board Charter, which is available on IFCA’s corporate website at https://ifca.asia.
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	:		
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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	:	Applied	
Explanation on application of the practice	:	<ul style="list-style-type: none"> As a listed issuer with market capitalisation of less than RM2 billion as at 31 December 2022, it is required to have at least 1 woman director on or after 1 June 2023 in accordance to the Amendments to the Ace Market Listing Requirements. As at the date of this report, the Company has one woman director (Mdm. Norliza Binti Rasool Khan); hence complying with the Amendments to the Ace Market Listing Requirements. Nevertheless, the Board is always mindful that a diverse Board may offer greater depth and breadth in contributing constructive ideas and insights, which in turn could lead to better decision making. Thus, the Nomination Committee is always on the lookout for suitably qualified female candidate to fill the vacancy which may arise 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	:		

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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<ul style="list-style-type: none"> Presently, there is no gender diversity policy in place for the Board and Senior Management. The Board is of the view that the selection criteria for the Board and senior management should be based on the effective blend of merit, skills, experiences, knowledges and competencies instead of gender criteria. 	
		<ul style="list-style-type: none"> The Board acknowledges the recommendation of the Code on gender diversity for the Board and Senior Management. The Board currently has one women director. As for the Senior Management, IFCA currently has 20% of women holding key positions in the Group. Nevertheless, the Board, through the Nomination Committee, will continue to consider gender diversity as part of its future selection of Directors and Senior Management. 	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <ul style="list-style-type: none"> • During the year, the Board evaluation process was conducted via a set of questionnaires to assess and review the ability and performance on the Board, the Board Committees and individual directors. • The questionnaires are categorised into 5 areas: - <ul style="list-style-type: none"> • Board and Board Committees evaluation • Individual Director self and peer evaluation • Assessment on Mix of Skill and Experience • Group Chief Financial Officer evaluation • Evaluation of level of Independence of a Director • The Nomination Committee was satisfied that the skills, experiences and contributions of the Directors are adequate to enable the Board and the Board Committees to discharge their respective duties and responsibilities effectively.
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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<ul style="list-style-type: none"> • The Remuneration Committee ("RC") is responsible for implementing the remuneration procedures for the Board of directors and operates under its own terms of reference (TOR). The Terms of Reference of RC is approved by the Board and set out in Board Charter, which is available on IFCA's corporate website at https://ifca.asia. • The remuneration of the Executive Directors is made up of basic salaries, bonus, directors' fee and other benefits, which are set according to: <ul style="list-style-type: none"> - Job nature; - Level of skills, expertise and scope of responsibilities; - Working experience; - Performance and commitment devoted to the Company; - Industrial indicative rate. • The remuneration of the Independent Directors is made up of directors' fee and other allowances. These are set according to: <ul style="list-style-type: none"> - Qualification; - Working experience; - Level of responsibilities and time commitment; • While there is no policy in place for senior management, the remuneration of senior management is evaluated and determined by the Executive Chairman and the Executive Directors periodically after taking into consideration the Company's desire to attract and retain the right talent in the Company.
		<ul style="list-style-type: none"> • Currently, the Board doesn't have any alternative practice.

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

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	:	<ul style="list-style-type: none"> • The Remuneration Committee ("RC") comprises two Independent Non-Executive Director and a Non-Independent Executive Director. The current members of Remuneration Committee are: <ul style="list-style-type: none"> - Fung Kam Foo (Independent Non-Executive Director) – Chairman (appointed on 29 April 2022) - Yong Kian Keong (Non-Independent Executive Director) – Member (appointed on 31 March 2022) - Norliza Binti Rasool Khan (Independent Non-Executive Director) – Member (appointed on 1 March 2023) • The RC is responsible for the recommendation of general remuneration procedures to the Board. • The Terms of Reference of RC is approved by the Board and set out in Board Charter, which is available on IFCA's corporate website at https://ifca.asia.
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 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	:	<ul style="list-style-type: none"> The details of the remuneration are broken down into category, of fees, salary, bonus, benefits in-kind and other emoluments, as per attachment.

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	Yong Keang Cheun	Executive Director	36,000	-	1,157,600	80,000	160,000	-	1,433,600	36,000	-	1,157,600	80,000	173,325	-	1,446,925
2	Yong Kian Keong	Executive Director	36,000	-	832,025	57,500	57,500	-	983,025	36,000	-	832,025	57,500	81,450	-	1,006,975
3	Leong Nyu Kuan	Executive Director	36,000	-	360,000	30,000	12,000	-	438,000	36,000	-	360,000	30,000	12,000	-	438,000
4	Eng Kim Haw	Independent Director	48,000	-	-	-	-	-	48,000	48,000	-	-	-	-	-	48,000
5	Fung Kam Foo	Independent Director	48,000	-	-	-	-	-	48,000	48,000	-	-	-	-	-	48,000
6	Norliza Binti Rasool Khan	Independent Director	48,000	-	-	-	-	-	48,000	48,000	-	-	-	-	-	48,000

Intended Outcome

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

Practice 8.2

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	:	<ul style="list-style-type: none"> The Company disclosed the top six senior management's remuneration components in bands width of RM50,000 but not on named basis due to confidentiality and sensitivity of individual remuneration package, especially in the fast-paced Information Technology (IT) industry.
		<ul style="list-style-type: none"> Currently, the Board does not have any alternative practice.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.				
2	Input info here	Input info here	Choose an item.	Choose an item.				
3	Input info here	Input info here	Choose an item.	Choose an item.				
4	Input info here	Input info here	Choose an item.	Choose an item.				
5	Input info here	Input info here	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						
2	Input info here	Input info here						
3	Input info here	Input info here						
4	Input info here	Input info here						
5	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	:	<ul style="list-style-type: none"> • The Audit and Risk Management Committee comprises solely of Independent Non-Executive Directors. The current members of the Audit and Risk Management Committee are: <ul style="list-style-type: none"> - Eng Kim Haw (Independent Non-Executive Director) – Chairman (appointed on 29 April 2022) - Fung Kam Foo (Independent Non-Executive Director) – Member (appointed on 1 October 2021) - Norliza Binti Rasool Khan (Independent Non-Executive Director) – Member (appointed on 19 July 2022) • The Chairman of the Audit and Risk Management Committee, Mr Eng Kim Haw, is not the Chairman of the Board. • Mr. Eng holds an Advanced Diploma of Accountancy from the Tunku Abdul Rahman University College. He is also a fellow member of the Association of Chartered Certified Accountants (ACCA), United Kingdom and a member of 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 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	:	<ul style="list-style-type: none"> On 28 February 2023, External Auditor Policy is adopted to serve as a guidance for the Audit and Risk Management Committee in appointment and removal of external auditor. The External Auditor Policy is available in IFCA's website at https://ifca.asia. It is stated in both of the External Auditor Policy and the Terms of Reference (TOR) of Audit and Risk Management Committee that requires a former key audit partner to observe a cooling-off period of at least three years before being appointed as a member of the Audit and Risk Management Committee. The TOR of Audit and Risk Management Committee is approved by the Board and set out in Board Charter, which is available on IFCA's corporate website at https://ifca.asia. None of the members of the Board were former auditors or audit partners.
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	:	<ul style="list-style-type: none"> On 28 February 2023, External Auditor Policy is adopted to serve as a guidance for the Audit and Risk Management Committee in the appointment and removal of external audit firm. The External Auditor Policy is available in IFCA's website at https://ifca.asia. The Group, through the Audit and Risk Management Committee, maintains a formal and transparent professional relationship with the Group's external auditors. Meetings are held at least once a year without the presence of the management of the Company to ensure that the external auditors can freely discuss and express their opinions on any matter to the Audit and Risk Management Committee. In addition, the external auditors are invited to attend the AGM of the Company and are required to be available to answer shareholders' questions on the conduct of the statutory audit and contents of their audit report. The Audit and Risk Management Committee had conducted the assessment on Messrs UHY to assess the suitability and independence of external auditors based on criteria adopted from best practices. The outcome of the assessment was satisfactory and accordingly, the Audit and Risk Management Committee had recommended to the Board to table the resolution for their re-appointment as external auditors for the next financial year by the shareholders at the forthcoming 26th AGM 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 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	<ul style="list-style-type: none"> • The Audit and Risk Management Committee comprises solely three Independent Non-Executive Directors. The current members are: <ul style="list-style-type: none"> - Eng Kim Haw (Independent Non-Executive Director) – Chairman (appointed on 29 April 2022) - Fung Kam Foo (Independent Non-Executive Director) – Member (appointed on 1 October 2021) - Norliza Binti Rasool Khan (Independent Non-Executive Director) – Member (appointed on 19 July 2022)

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	:	<ul style="list-style-type: none"> • The members of Audit and Risk Management Committee have the relevant experience and financial literacy to effectively discharge their duties. • The qualification and experience of the individual Audit and Risk Management Committee members are disclosed in the Board of Directors' Profile in the Annual Report. • During the year, all the Audit and Risk Management Committee members had undertaken continuous professional development to keep themselves abreast of recent development on accounting standards, rules and practices. • The training programmes attended are set out in the Corporate Governance Overview Statement of the Annual Report for FYE 31 December 2023. 	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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	:	<ul style="list-style-type: none"> • The Board maintains a sound risk management framework and system of internal control to safeguard the Group's assets and shareholders' investment. • The Board has delegated the role of reviewing the adequacy and the integrity of the Group's internal control systems, which includes risk management practices as well as financial, operational and compliance controls, to the Audit and Risk Management Committee. • As an ongoing process, the Audit and Risk Management Committee has reviewed the risk policy during FY2023. Significant business risks are identified and evaluated so that risk assessment and risk mitigation can be carried out effectively. • Internal controls are vital for risk management and the Board is committed to ensure that the Group has in place an effective and efficient internal control system. The Internal Audit function, which is outsourced, regularly tests and assesses if internal controls are robust and viable.
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	:	<ul style="list-style-type: none"> The key features of the risk management and internal control framework are covered in two separate sections in the Annual Report; namely the Statement of Risk Management and Internal Control and the Audit and Risk Management Committee 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 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	:	Adopted
Explanation on adoption of the practice	:	<ul style="list-style-type: none"> • The Board has delegated the role of reviewing the adequacy and the integrity of the Company's internal control systems, which includes risk management practices as well as financial, operational and compliance controls to the Audit and Risk Management Committee. • The Audit and Risk Management Committee comprises wholly Independent Directors and is chaired by Mr. Eng Kim Haw.

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	:	<ul style="list-style-type: none"> • The Board of Directors has always placed significant emphasis on sound internal controls, which are necessary to safeguard the Group's assets and shareholders' investment. • The internal audit plan is designed to test the internal controls put in place to check the identified risks and to ensure that they do not breach the risk tolerance level of the Group. • The annual internal audit plan is presented by the Internal Auditors to the Audit and Risk Management Committee for their review, consideration and approval before the internal auditors commence work. • Internal audit reports are made available, and they highlight significant findings or deficiency requiring the management's attention and provide recommendations on areas for improvement. Follow-up reviews would subsequently be conducted to ensure that appropriate corrective action plans have been implemented to address highlighted control weaknesses. 	
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	:	<ul style="list-style-type: none"> • The internal audit function of the Group is outsourced to an external professional service firm, Crowe Governance Sdn Bhd, and the findings are regularly and directly reported to the Audit and Risk Management Committee. • The internal auditors are free from any relationships or conflicts of interest, which could impair their objectivity and independence. • The internal audit function is carried out by the team, headed by Mr. Amos Law, who holds a Bachelor in Accountancy and Finance from Heriot-Watt University in the UK. He is also a certified internal auditor and a Chartered Member of The Institute of Internal Auditors Malaysia (IIA). • The team comprises three (3) internal auditors who ensure that the internal audit function is carried out in accordance to the International Professional Practices Framework issued by the IIA.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<ul style="list-style-type: none"> • The Board recognises the importance of an effective, transparent and regular communication channel between the Board, shareholders and general public. • The Company engages with analysts, journalists and institutional investors on the Group's performance, developments and matters of interest to the investing public regularly. • Investor relations activities such as meetings with fund managers and analysts, and interviews by the media are attended by the Executive Chairman and/or Executive Directors. • Corporate website (https://ifca.asia) is maintained so that the shareholders and public can access to the Company's background, products, financial performance, latest information and many other up to date corporate disclosures. • Shareholders can raise their queries through IFCA's corporate website, via email or phone.
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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<ul style="list-style-type: none"> • Whilst certain indication of integrated reporting may be incorporated in the Annual Report of IFCA, such as the Sustainability Statement, it is not an integrated report on the whole with respect to the Group's business, policies on governance, environment and social responsibility. • The Board would like to allow an advocacy period for the awareness of integrated reporting to be better appreciated by Management staff before it is adopted. Presently, the Board is of the view that the Company's Annual Report is sufficient for stakeholders to make informed decisions. 	
		<ul style="list-style-type: none"> • The current Annual Report provides stakeholders with a fairly comprehensive overview on the Group's financial and non-financial information. Components such as Management and Discussion Analysis, Corporate Governance Overview Statement, Sustainability Statement and Statement of Risk Management and Internal Control form an integral part of the non-financial information. 	
<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	:	<ul style="list-style-type: none"> • The Annual General Meeting (AGM) represents the principal forum for dialogue and interaction with shareholders, where the Board sets out the progress, performance and outlook of the Group since the last meeting held. • In compliance with Practice 13.1, the Notice of Annual General Meeting (AGM) of the Company has been circulated to shareholders at least 28 days before the meeting. • The Company issued the notice of 25th AGM on 19 April 2023, which was 40 days prior to the meeting on 29 May 2023. The Company will continue to apply this Practice in the upcoming 26th AGM. • Shareholders are encouraged to attend each AGM and are given sufficient time and opportunity to participate in the proceedings, ask questions about the resolutions being proposed and the operations of the Group, and communicate their expectations and possible concerns.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.2

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

Application	:	Applied	
Explanation on application of the practice	:	<ul style="list-style-type: none"> • All Directors and the Chairs of Committees attended the Company's 25th Annual General Meeting ("AGM"). • During the Question and Answer session, the Directors, Senior Management, the Auditors and Company Secretary are available to respond to the relevant queries raised. • The Board acknowledges that the AGM is an important event where the Board is given the opportunity to have a dialogue with the shareholders to address any questions that may arise. As such, the shareholders are encouraged to attend and participate in the AGM of the Company. • In the event that a question cannot be immediately answered at the meeting, the Chairman will undertake to provide a written reply via email to the shareholder after 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 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<ul style="list-style-type: none"> • The Company has conducted its 25th Annual General Meeting (AGM) physically at IFCA own's auditorium at Dataran Prima, Petaling Jaya. • To safeguard the health of attendees at the 25th AGM, the Company has continued to strictly adhere to the Covid-19 Standard Operating Procedure (SOP). • The Board was of the view that since the Company does not have a large number of attendees at the AGM based on the past trend, the 25th AGM was held physically. Furthermore, the venue was easily accessible and familiar to most of the shareholders. • The Company also encourages the participation of shareholders who are unable to attend and vote in person at general meetings to appoint proxies to represent them.
		<ul style="list-style-type: none"> • The Board acknowledges the recommendation of the Code to leverage technology to facilitate voting and remote shareholders' participation. • Nonetheless, the Board will continue to monitor and make changes to the mode of meeting in the future, wherever necessary.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application :	Applied
Explanation on application of the practice :	<ul style="list-style-type: none"> • The 25th Annual General Meeting (AGM) dated 29 May 2023 was conducted physically at IFCA's own auditorium at Dataran Prima, Petaling Jaya. • The Board has shared with the shareholders on the Company's previous year financial performance as well as future business outlook via a video presentation at the start of the AGM. • The shareholders were invited to pose their questions during the general meeting. • All the questions were responded by the Chairman and Executive Directors during the general meeting. The Chairman of the Board Committee, the Company Secretary, the External Auditors were present to answer any question which may be directed to them. • In the event that the questions were not answered, the Company would ensure that a written reply via email is provided to the shareholder after 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 13.5

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

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

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: <ul style="list-style-type: none"> The minutes of the 25th Annual General Meeting (AGM) which was held was made available to the shareholders at the IFCA's website within 30 business days after the meeting on 29 May 2023.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

**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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