

STOCK CODE : 5178
COMPANY NAME : DYNACIATE GROUP BERHAD
FINANCIAL YEAR : November 30, 2021

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors ("Board") of Dynaciate Group Berhad ("DGB" or "Company") met with representatives from Management on a quarterly basis where Management reported on the performance and results of the business of the Company and the Group which are benchmarked against the previous year in order for the Board to monitor and assess the performance of the Company and to achieve the company's vision. The Board has established clear functions reserved for the Board as outlined in the Board Charter and those functions specifically delegated to the Management.</p> <p>The Board is ultimately responsible for the direction and control of the Company and the Group as well as the overall business framework within which the Group operates. As a collective body, the Board assumes full responsibility for the Group's strategic direction, overseeing the proper conduct of the Group's business, identifying principal risks and ensuring the implementation of systems to manage risks, succession planning, developing investor relations programme, reviewing the adequacy and integrity of the Group's internal control systems and management information systems, establishing goals for management and monitoring the achievement of these goals, ensuring effective stakeholder engagement and promoting sustainability to ensure long-term value creation.</p> <p>During financial year ended 30 November 2021 ("FYE 2021"), the Board reviewed the Group's strategic direction and assessed the risk profile of the Group vis-à-vis the evolving business environment beset by the pandemic. From a risk perspective, capital market and financing risk, financial and operational performance of the Group (referred to DGB and subsidiaries, collectively) as well as strategic planning continue to be key risks faced by the Group. In part to minimise risk exposure from the construction industry, the Group pivoted to industrial and commercial warehousing sector to better position the Group strategically and operationally.</p> <p>Management is responsible for the execution of activities to meet corporate plans as well as instituting various measures to ensure due compliance with various governing legislations. In addition, Management has the authority to deal with particular issues and report to the Board with their respective recommendations and solutions</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>Dato' Liang Chee Fong, Thomas is the Independent Non-Executive Chairman of the Board. His profile is outlined under the Profile of Directors in the Annual Report 2021.</p> <p>He provides leadership and governance on the Board in discharging responsibilities for the business and affairs of the Group and its oversight of Management in order to create a conducive environment geared towards building and strengthening Directors' oversight and effectiveness and ensure that appropriate issues are discussed by the Board in a timely and congenial manner</p> <p>The Chairman also ensures that no member dominates discussion and that appropriate discussions takes place and that relevant opinions among Board members is forthcoming. Additionally, the Chairman also ensures that all Board resolutions are put to vote with the will of majority to prevail. Details of the roles and responsibilities of the Chairman are spelled out in the Board Charter</p> <p>The roles and responsibilities of the Chairman of the Board are stated in the Board Charter which is published on the Company's website at www.dynaciategroup.com.my.</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 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has always made the distinction that the position of the Chairman and the CEO does not reside with the same person as such division further provides for organisational check and balance for better governance. There is a clear and separate division of responsibility in the roles and duties of the Chairman and CEO.</p> <p>Tan Ooi Jin is the sole Executive Director and is deemed the CEO. He leads the Management team and oversees day- to-day operational management of the Group. The Executive Director oversees daily conduct of operating units, human resource management with respect to key positions in the Group's hierarchy, financial management and business affairs as well as organisational effectiveness and implementation of Board policies and decisions.</p> <p>The Executive Director also ensures that the Group's corporate identity, products and services are of high standard and reflective of market environment, business practices are in compliance with governmental regulations.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company Secretaries, who are qualified and experienced, advise the Board on any updates relating to new statutory and regulatory requirements pertaining to the duties and responsibilities of Directors and the potential impact and implications arising therefrom.</p> <p>The Company Secretary, or her assistant, is present at all meetings to record deliberation, issues discussed and conclusions in discharging her duties and responsibilities and also provide advice in relation to relevant guides and legislations.</p> <p>The duties of the Company Secretaries include, among others, the preparation of agendas and co-ordinating the preparation of Board papers, ensure Board procedure and applicable rules are observed, maintain records of the Board and ensure effective management of the Group's records, prepare minutes to document Board proceedings and ensuring conclusions are accurately recorded and timely dissemination of information relevant to Directors' roles and functions.</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 1.5

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	:	<p>Prior to each Board meeting, all Board members are furnished with an agenda and a set of board papers which are issued in sufficient time to enable them to obtain a comprehensive understanding of the issues to be deliberated upon in order to arrive at an informed decision.</p> <p>Minutes are prepared for all Board and Board Committees' proceedings, circulated to the Board and / or Board Committee Members and will be confirmed and signed by the respective Chairman. The minutes will then be tabled at the subsequent meetings for notation.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established a Board Charter as a point of reference for Board activities. The Charter clearly delineates the roles, duties and responsibilities of the Board, Board Committees, Directors and Management in order to provide a structured guidance regarding their responsibilities, duties, roles, functions and powers.</p> <p>The Board Charter is reviewed periodically to ensure its relevance in aiding the Board to discharge its duties and responsibilities in accordance with the law and regulation that may arise from time to time.</p> <p>Salient features of the Board Charter are available on the Company's website at www.dynaciategroup.com.my. The Board Charter and TORs and other policies will be reviewed from time to time to ensure its relevance.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has adopted a Code of Conduct and Ethics which is to instil and inculcate, amongst Directors, management and employees of the Group, a corporate culture which engenders ethical conduct to permeate throughout the Group. The Code sets out broad standards to guide our Directors, management and employees to carry out their duties and responsibilities in an ethical manner covering various elements from, among others, human rights, health and safety, environmental care, company's assets, records and controls to confidentiality, gifts and business courtesies and integrity and professionalism.</p> <p>An Employee Handbook, which contained various human resources policies, serves as a guide for Management and employees of the Group and is communicated to all the employees, both new and existing, through training, notice board and induction programme.</p> <p>The Code of Conduct and Ethics, revised to be aligned with the recommendations of the Code, is published on the corporate website at www.dynaciategroup.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has formalised and adopted a Whistleblowing Policy which was last updated during FYE 2020 to conform with para 15.29 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“MMLR”) and now published on the corporate website at www.dynaciategroup.com.my.</p> <p>The Whistleblowing Policy sets out the mechanism and framework by which employees or any third parties can confidently raise concerns or complaints in a responsible manner without the fear of discriminatory treatment. All malpractices or wrongdoings reported by the whistleblower are to be directed to the Chairman of the Audit Committee (“AC”).</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 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	:	<p>The current Board comprised of six (6) members; one (1) executive Board member (Executive Director) and 5 Independent Non-Executive Directors (“INEDs”).</p> <p>The current Board comprises a majority of INED which represents more than 80% of the Board, well in excess of the composition recommended for which INEDs are to comprise half (50%) of the Board members. The present composition puts the Board in compliance with recommendation for Large Companies.</p> <p>The Board composition is in compliance with para 15.02 of the MMLR which requires that at least two (2) Directors or one-third of the Board of the Company, whichever is the higher, are INEDs.</p> <p>The current composition of all Board Committees, made up of solely INEDs affirmed the Board’s commitment towards independence and provide strong check and balance in the Board’s governance function.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 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	:	As of the date of this Annual Report 2021, all the current INEDs have served less than five (5) years with the Company.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	This is Not Adopted in view that the Company does not fall within the definition of "Large Companies".

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	:	<p>The Board supports diversity on the Board and in key senior management. Appointment of members of the Board and key senior management are based on objective criteria, merit and also due regard for diversity in experience, skills set, age and cultural background.</p> <p>The Directors, with their diverse background and professional specialization, collectively, bring with them a wealth of experience and expertise in areas ranging from general management and operations, industrial, finance and accounting, corporate restructuring, manufacturing, sales and marketing, business, tax, product development to law.</p> <p>The Nomination Committee (“NC”) is responsible for the evaluation and recommendation to the Board on the appointment of Directors and key senior management. The NC is guided by the terms of reference (“TOR”) published on the corporate website at www.dynaciategroup.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 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	:	<p>The Board is supportive of gender diversity on the Board and in key senior management team. One (1) out of the six (6) Directors is a female, which reflects the Group's commitment on gender diversity.</p> <p>Whilst acknowledging the recommendation of the Code on gender diversity, the Board is of the collective opinion that there was no necessity to adopt a formal gender diversity policy presently as the Group is committed to provide fair and equal opportunities and nurturing diversity within the Group. The NC and the Board will consider gender diversity as part of its future selection process and will look into increasing female board representation going forward.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>During the financial year and up to the date of this CG Statement, Ng Keok Chai and Dato' Seri Dr. Chen Chaw Min were appointed as INED.</p> <p>Although recommended by management, their respective candidacy was reviewed on merit given taking into consideration their professional and board experiences.</p> <p>The NC and the Board will consider utilising independent sources to identify suitably qualified candidates going forward.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.7

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

Application	:	Applied														
Explanation on application of the practice	:	<p>The NC, comprised solely of INEDs with present composition and attendance at meetings held during FYE 2021 as follows:</p> <table border="1"> <thead> <tr> <th>Directorate</th> <th>Director(s)</th> <th>Attendance</th> </tr> </thead> <tbody> <tr> <td>Chairman</td> <td>Lim Peng Tong</td> <td>2/2</td> </tr> <tr> <td rowspan="3">Members</td> <td>Dato' Liang Chee Fong</td> <td>2/2</td> </tr> <tr> <td>Tan Siew Peng</td> <td>2/2</td> </tr> <tr> <td>Ng Keok Chai</td> <td>-</td> </tr> </tbody> </table> <p>Ng Keok Chai did not attend any meetings of the NC as these were held prior to his appointment.</p> <p>The NC would meet at least once (1) annually with additional meetings convened on as and when needed basis. The TOR of the NC, which spelled out its duties and responsibilities, is published on corporate website at www.dynaciategroup.com.my.</p>		Directorate	Director(s)	Attendance	Chairman	Lim Peng Tong	2/2	Members	Dato' Liang Chee Fong	2/2	Tan Siew Peng	2/2	Ng Keok Chai	-
Directorate	Director(s)	Attendance														
Chairman	Lim Peng Tong	2/2														
Members	Dato' Liang Chee Fong	2/2														
	Tan Siew Peng	2/2														
	Ng Keok Chai	-														
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	:	<p>The NC undertakes annual assessment of the effectiveness of the Board, the Board Committees and the contribution of each individual Director on an annual basis. The INEDs are also assessed annually by the NC on behalf of the Board. Following assessments carried out for FYE 2021, the Board is satisfied with the level of independence demonstrated by the INEDs and their ability to provide unbiased impartial and objective opinion during meetings and act in the best interest of the Company.</p> <p>All assessments and evaluations carried out by the NC in the discharge of all its functions are documented. The evaluation is performed on self-assessment basis. All Directors are provided with the same set of assessment forms for their completion. The results of all assessments and comments by Directors are summarised and tabled at the NC meeting. The Chairman of the NC will report the results and deliberation to the Board.</p> <p>The criteria used in the assessment of the Board and the Board Committees focussed on composition, quality of information and decision-making, boardroom activities, board's relationship with Management and Board Committees. The assessment of individual Director focussed on fit and proper, contribution and performance, calibre and personality, skills set and independence. The assessment in respect of FYE 2021 was carried out with the results deemed satisfactory by the Board.</p> <p>The Director who is subject to re-election at next annual general meeting ("AGM") is assessed by the NC before recommendation is made to the Board and shareholders for re-election. Appropriate assessment and recommendation by the NC are based on the annual assessment conducted.</p> <p>The Board is satisfied with the time commitment given by the Directors based on the full attendance by majority of all Directors at all meetings convened in and have complied with para 15.05 of the MMLR. In addition, all of the Directors do not hold more than 5 directorships as required under paragraph 15.06 of the MMLR. The Board members will notify the Board or the Chairman upon acceptance of new Directorship in other public listed companies.</p> <p>The Board is cognisant of the need to ensure that its members undergo continuous trainings to enhance their knowledge, expertise and professionalism in discharging their duties.</p>

	<p>The Directors have been attending various seminars and training programmes necessary to enhance and keep abreast with relevant changes, development and updates affecting industries that the Group operates in as well as regulatory requirements on audit, financial managements, tax and laws.</p> <p>The Directors are regularly updated by the Company Secretary on any changes to new statutory, corporate and regulatory developments relating to Directors' duties and responsibilities or the discharge of their duties as Directors of the Company.</p>
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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	:	<p>The objective of the Group’s Remuneration Policy is to attract and retain the Directors and senior management required to lead and control the Group effectively.</p> <p>In the case of the executive Board member, the components of the remuneration package are linked to individual and corporate performance.</p> <p>As for the INEDs, the level of remuneration is reflective of their experience, broad based roles and responsibilities as well as time commitment to the Group that go with Board membership and the onerous challenges in discharging their fiduciary duties.</p> <p>The Directors’ fees and benefits payable to the INEDs are reviewed annually. The Executive Director played no part in deciding their own remuneration and the respective Board members abstained from all discussion and decisions pertaining to their remuneration.</p> <p>The RC met twice during FYE 2021 to consider the remuneration package for the Executive Director and senior management as well as Directors’ fees and benefits payable for the Directors.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 RC is presently populated solely by INEDs with composition and attendance at meetings as follows:		
		Directorate	Director(s)	Attendance
		Chairman	Lim Peng Tong	2/2
		Members	Dato' Liang Chee Fong Tan Siew Peng Ng Keok Chai	2/2 2/2 -
		Ng Keok Chai did not attend any meetings of the RC as these were held prior to his appointment.		
		During FY2021, the RC reviewed the remuneration package for the Executive Director and senior management as well as Directors' fees and benefits payable for the Directors.		
		The TOR of the RC and Remuneration Policy are available on the corporate website at www.dynaciategroup.com.my .		
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 remuneration received / receivable by the Directors of the Company during FY2021 is as tabulated:			
	Received or to be received from the Company / Group (RM)			
Directors	Fees	Allowance	Salaries & other emoluments ¹	Total (RM)
Non-Executive Directors				
Dato' Liang Chee Fong, Thomas	48,000.00	4,500.00	-	52,500.00
Lim Peng Tong	36,000.00	4,500.00	-	40,500.00
Tan Siew Peng	48,000.00	4,500.00	-	52,500.00
Lee Poay Keong ²	18,000.00	1,500.00	-	19,500.00
Ng Keok Chai ³	3,483.87	500.00	-	3,983.87
Dato' Seri Dr. Chen Chaw Min ⁴	-	-	-	-
Sub-total	153,483.87	15,500.00	-	168,983.87
Executive Director				
Tan Ooi Jin, Shane ⁵	36,000.00	4,500.00	156,021.60	196,521.60
Woon Kok Kee ⁶	30,000.00	3,000.00	219,323.40	252,323.40
Khoo Song Heng ⁷	8,357.14	500.00	54,836.85	63,693.99
Sub-total	74,357.14	8,000.00	430,181.85	512,538.99
Grand total	227,841.01	23,500.00	430,181.85	681,522.86
Note:				
¹ This includes bonus as well as statutory contributions				
² Lee Poay Keong resigned as Non-INED on 1 June 2021				
³ Ng Keok Chai was appointed as INED on 27 October 2021				
⁴ Dato' Seri Dr. Chen Chaw Min was appointed INED on 21 March 2022				
⁵ Tan Ooi Jin was redesignated as Executive Director on 22 February 2021				
⁶ Woon Kok Kee resigned as Executive Director on 1 October 2021				
⁷ Khoo Song Heng resigned as Managing Director on 22 February 2021				
Explanation for departure :				
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>				

Measure :		
Timeframe :		

Intended Outcome

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	:	Given the confidential and commercial sensitivities associated with remuneration matters and the highly competitive human resource environment and the importance of ensuring stability and continuity of business operations with a competent and experienced management team in place, the Board takes the view that there is no necessity for the Group to disclose the remuneration of the Company's senior management personnel who are not Directors or the CEO.
<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 7.3 - 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	:	This is Not Adopted in view that the Company does not fall within the definition of "Large Companies".

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 AC is not the Chairman of the Board. Ms. Tan Siew Peng is appointed as the Chairman of the AC on 08 March 2020. Details on the composition, TOR and other pertinent facts of the AC is outlined under the AC Report in the Annual Report 2021.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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	:	None of the members of the Board were former key audit partners. Hence, no former key audit partner is appointed to the AC. The Board will observe the prescribed cooling-off period in the event any potential candidate to be appointed as a member of the AC is a former key audit partner.
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	:	<p>The AC undertakes an annual assessment of the suitability and independence of the external auditors and is satisfied with the technical competency, quality of audit engagement and independence of the external auditors. Upon satisfaction with the performance of the external auditors based on the annual assessment conducted, AC has recommended to the Board for the reappointment of the external auditor at the forthcoming AGM.</p> <p>At least once a year and whenever necessary, the AC met with the external auditors without the presence of executive Board members or management personnel, to allow the AC and the external auditors to exchange independent views on matters which require the AC's attention. During the year, the AC met up twice with the external auditors to discuss their audit plan, audit findings and the financial statements. The external auditors have confirmed to the AC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the professional and regulatory requirements.</p> <p>The AC would look into formalizing a policy on selection, appointment and assessment of external auditors to guide the AC in reviewing the suitability, objectivity and independence of the external auditor of the Company on an annual basis.</p> <p>The AC has considered the non-audit services provided by the external auditors during FYE 2021 and concluded that the provision of these services did not compromise the external auditors' independence and objectivity. The amount of fees paid for these services was not significant when compared to the total fees paid to the external auditors. Details of the fees paid to the external auditors and its affiliates are disclosed under Additional Compliance Information in this Annual Report.</p> <p>A summary of activities of the AC during the financial period under review is set out in the AC Report in the Annual Report 2021.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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	:	Although not required in view that the Company does not fall within the definition of "Large Companies", the Company has stepped up and ensure that the AC comprised solely of INEDs. The AC's independent composition as part of the Board's initiative for more independence and transparency in deliberation and decision-making.

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	:	<p>The AC currently comprised of members with professional experience in financial, taxation, forensic accounting and commercial crime investigations from law enforcement perspective as well as business and law. All members are financially literate and are able to read, interpret and understand the financial statements.</p> <p>The diversity in skills set coupled with their financial literacy gave the AC the ability to effectively discharge their roles and responsibilities. All members of the AC have also undertaken and will continue to undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules as and when required.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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	:	<p>The Statement on Risk Management and Internal Controls ("SORMIC") in this Annual Report provides an overview on the state of internal controls and risk management within the Group.</p> <p>Regular reviews would be carried out by the internal audit function and management to identify, evaluate, monitor and manage significant risks affecting the business and ensure that adequate and effective controls are in place. The findings of the internal audit function are reported to the AC regularly.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 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	:	<p>The Board acknowledges the importance of a system of risk management and internal control being embedded into the culture, processes and structures of the Group to engrain good governance practices throughout the Group.</p> <p>The system of internal control of the Group cover risk management as well as financial information, organisational, operational, project and compliance controls.</p> <p>The Board further affirms its overall responsibility for risk oversight and the Group's systems of internal control and for reviewing the adequacy, effectiveness and efficiency of these systems for applicable laws, regulations, rules, directives and guidelines to ensure its viability and robustness.</p> <p>In view of the inherent limitation in any system on internal controls, the systems are designed to manage, rather than to eliminate the risk of failure to achieve corporate objectives and therefore, can only provide reasonable rather than absolute assurance against material misstatement of management and financial information, fraud and breaches of laws or regulations.</p> <p>The Group has a Risk Management Committee ("RMC") to lead from the top and drive the importance of embedding sound practices of risk management throughout the business operations of the Group.</p> <p>Given the difficulties faced by the construction segment, headcount and associated costs were significantly reduced following transfer to a company owned by Directors. A side effect from this attrition was a shrinking RMC with insufficient headcount and risk owners to oversee and address the risks. The pivot away from the construction segment has helped to contract the associated risk exposure.</p> <p>Nonetheless, the Board has received assurance from the Executive Director and CFO that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects, to ensure achievement of corporate objectives. The Board continues to review and implement measures to strengthen the internal control environment of the Group.</p>

	<p>Based on the internal auditors' report and the RMR for FYE 2021, the Board has reasonable assurance that the Group's system of risk management and internal control is generally adequate and appear to be working satisfactorily for the financial year under review and up to the date of issuance of this Statement.</p> <p>The SORMIC in the Annual Report 2021 provides an overview on the state of internal controls and risk management within the Group.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 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	:	Not Adopted
Explanation on adoption of the practice	:	<p>This is not adopted in view that the Company does not fall within the definition of "Large Companies".</p> <p>The risk oversight responsibility has always been within the purview of the AC which is responsible for reviewing policies and framework on risk management for implementation within the Group. The AC is also tasked to review and endorse the corporate risk profile for the Group.</p> <p>The RMC, which reports to the AC, was established during FYE 2020. The RMC is a management level committee led by the Chief Financial Officer ("CFO") who is also the Chief Risk Officer. The CFO drives risk management initiatives with support from the members of the RMC who represent key business units within the Group.</p> <p>Ultimately, the main components of the Group's risk governance and structure consist of the Board, the AC and the RMC. The structure allows for strategic risk discussions to take place in an effective and efficient manner.</p>

Intended Outcome

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

Practice 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	:	<p>The internal audit function of the Group is independent of the operations of the Group and is carried out by an outsourced and competent consulting firm, JWC Consulting Sdn. Bhd. (“JWC”), that assists the AC and the Board in managing the risks and establishment of the internal control system and processes within the Group by providing an independent assessment on the adequacy, efficiency and effectiveness of the Group’s risk management and internal control system and processes. The internal auditors report directly to the AC.</p> <p>The internal auditors have and will continue to keep abreast with developments in the profession, relevant industry and regulations. The internal audit function is independent of the operations of the Group and provides reasonable assurance that the Company’s system of internal control is satisfactory and operating effectively. Further details of the internal audit function are set out in the SORMIC of this Annual Report.</p> <p>The activities of the internal auditors during FYE 2021 are set out in the AC Report in the Annual Report 2021.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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	:	<p>The AC is assisted by the internal audit function which is outsourced to an independent consulting firm, JWC Consulting Sdn. Bhd. (“JWC”). The expenses incurred for internal audit totalled to RM16,278.00 for FYE 2021.</p> <p>JWC and its personnel are not related to any of the Directors of the Group and have no conflict of interest with the Group. 2 internal auditors are assigned to carry out internal audits of the Group.</p> <p>Ms Wong Ai May, Joyce is the Executive Director of JWC and is the lead internal auditor responsible for the internal audit of the Group. She is a member of Institute of Internal Auditors Malaysia, Malaysian Institute of Accountants (MIA) and Certified Practising Accountants, Australia (CPA Australia).</p> <p>The internal auditors adopt a risk-based approach towards the planning and conduct of their audits, and this is consistent with the Group’s approach in designing, implementing and monitoring its internal control system.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group recognises the value of transparent, consistent and coherent communications with the investment community consistent with commercial confidentiality and regulatory considerations. The Group aims to build long-term relationships with shareholders and potential investors through appropriate channels for disclosure of information.</p> <p>The annual reports, press releases, quarterly results and any announcements on material corporate exercises are the primary modes of disseminating information on the Group's business activities and financial performance. Investors are provided with sufficient business, operational and financial information on the Group to enable them to make informed investment decisions.</p> <p>All material announcements are reviewed and endorsed by the AC (as applicable) and the Board prior to release to the public through Bursa Securities.</p> <p>The Executive Director and Chief Financial Officer are the designated spokespersons for all matters related to the Group and dedicated personnel are tasked to prepare and verify material information for timely disclosure upon approval by the Board.</p> <p>The Group maintains a corporate website at www.dynaciategroup.com.my for shareholders and the public to access information on, amongst others, the Group's background and products, financial performance and updates on its awards and recognitions and promotions. Stakeholders can at any time seek clarification or raise queries through the corporate website, by email at ir@dynaciategroup.com.my.</p> <p>The Group recognises the value of transparent, consistent and coherent communications with the investment community consistent with commercial confidentiality and regulatory considerations. The Group aims to build long-term relationships with shareholders and potential investors through appropriate channels for disclosure of information.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 11.2

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	:	This is Not Applicable to the Company in view that the Company does not fall within the definition of "Large Companies".	
<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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The notice of the 14 th AGM held in 2021 was sent more than twenty-three (23) days before meeting date to shareholders and published in a major local newspaper.	
		The notice of the 15 th AGM scheduled on 27 April 2022 is being sent 28 days prior to the meeting date.	
<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 12.2

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

Application	:	Applied
Explanation on application of the practice	:	All the Directors (at that material time) attended the 14 th AGM held on 30 April 2021 and the extraordinary general meeting (“EGM”) held on 16 November 2021. All Directors attended the AGM and EGM to answer any such questions that may arise as shareholders may seek more information than what is available in the Annual Report and/or circulars.
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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Based on an analysis of the shareholders, the Company do not have many shareholders. Also, a large majority of the shareholders are Malaysians. Further, the general meetings are held in person at a large meeting room in a co-working space, which is easily accessible to all shareholders.</p> <p>As such, the concern over voting in absentia and/or remote shareholders' participation at AGM are not applicable. As of now, the Company encourages participation of shareholders through the issuance of proxies when there is indication that shareholders are unable to attend and vote in person at general meetings.</p>
<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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