

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0104
COMPANY NAME : GENETEC TECHNOLOGY BERHAD
FINANCIAL YEAR : June 30, 2024

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors ("Board") of the Company takes full responsibility for the overall performance of the Company and its subsidiaries ("Group") by establishing the strategic directions and objectives, formulating the policies, and executing the key strategic action plans. The Group's setting and review strategy is an integral part of matters reserved for the Board.</p> <p>The duties and responsibilities of the Board include determining the Group's overall strategic plans and performing periodic reviews of businesses and financial performance, as well as adopting practical risk management and internal controls to implement a strong framework of internal controls of the Company.</p> <p>In discharging its overall duties and responsibilities, the Board and Board Committees undertook the following activities during the financial period under review:-</p> <ol style="list-style-type: none">1. Deliberated strategic planning at its scheduled Board meetings twice a year. A comprehensive annual Group budget was developed whereby the capital and resources of the Company are allocated to those assets and activities towards meeting such objectives and goals of the Group.2. Reviewed the quarterly results and annual financial statements of the Group prior to the announcement of the same to Bursa Malaysia Securities Berhad ("Bursa Securities"). The Board was kept abreast of the Group's business performance through a comprehensive set of financial and non-financial information together with any material development and issues relating to the business to the Group.3. Considered the internal audit reports, which were reviewed by the Audit Committee based on the presentation by the independent

	<p>outsourced internal audit function, and endorsed corrective actions based on the recommendations proposed by the internal auditors. The Board also received formal assurances regarding the adequacy of the Group's risk management and internal control systems in all aspects from the Chief Operating Officer and Chief Financial Officer. These processes served to apprise the Board of the adequacy and operating effectiveness of the Group's system of risk management and internal controls.</p> <ol style="list-style-type: none"> 4. The Company has in place a structured Remuneration Policy for Directors and Senior Management to support the Company's key strategies, foster a performance-orientated environment, and attract, motivate and retain top talent. Performance-based incentives were designed for Executive Directors and senior management to ensure the business was conducted effectively towards meeting the corporate objectives of the Group. 5. The Board through Audit Committee and Risk Management Committee was apprised of the key business risk covered governance, compliance, strategic, operational and financial across the Group which were identified, evaluated and scored for the likelihood of occurrence and the impact thereof. Significant risks were singled out with remedial measures implemented to manage such risks to acceptable levels. For more information, refer to the Statement on Risk Management and Internal Control as set out in the Annual Report 2024 providing an overview of the state of the risk management and internal controls within the Group. 6. Considered succession of Board members as well as senior management personnel where necessary, the review of which was performed by the Nomination Committee as part of its remit ensuring a continuous leadership pipeline.; and 7. The Board prioritises transparent communication with stakeholders through an investor relations programme and Shareholders' Communication Policy. The Board had also established and adopted a Corporate Disclosure Policy to govern the process of making timely and accurate business, operations and financial information available to the public and shareholders. A corporate website www.genetec.net has been established to provide a platform for investors and shareholders to stay abreast of the Group's development, including financial and other announcements made to Bursa Securities.
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.2

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

Application	: Applied
Explanation on application of the practice	<p>The Board is led by the Independent Non-Executive Director, Mr. Allen Lik-Hook Ting who was appointed as the Chairman of the Board on 31 May 2023.</p> <p>The Chairman is responsible for instilling good corporate governance practices, leadership and composition of the Board during the financial period under review. The roles of the Chairman are delineated in the Board Charter, amongst others, including the following:</p> <ul style="list-style-type: none">(a) leading the Board in setting the values and ethical standards of the Company;(b) ensuring that quality information to facilitate decision-making is delivered to Board members on a timely basis;(c) ensuring appropriate steps are taken for the provision of communication with shareholders and relevant stakeholders and their views are communicated to the Board as a whole;(d) facilitating the effective contribution of Non-Executive Directors and ensuring constructive relations are maintained between Executive and Non-Executive Directors;(e) facilitating the regular evaluation of the performance of the Board, Board Committees and individual Directors;(f) ensuring the financial management practices are performed at a high level of integrity and business dealings are carried out ethically in compliance with the laws and regulations;(g) leading the Board in establishing and monitoring good corporate governance practices in the Group. <p>The Chairman also cultivates a healthy working relationship with the Managing Director and provides the necessary support and advice as appropriate. He continues to demonstrate the highest standards of corporate governance practices and ensures that these practices are regularly communicated to all stakeholders.</p> <p>The Chairman together with the Board performs an annual review of the Company's compliance with the corporate governance practices in accordance with the Malaysian Code on Corporate Governance and deliberate on the best approach to adopt the principles in the case of non-compliance the reason for such or the proposed alternative to achieve the said intended outcome.</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 Chairman of the Board, Mr. Allen Lik-Hook Ting and the Managing Director, Mr. Chin Kem Weng, both hold separate positions and their respective roles and responsibilities are governed by the Company's Board Charter.</p> <p>There is a clear differentiation of duties/responsibilities between the Chairman and the Managing Director to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision-making.</p> <p>The Chairman is responsible for the overall leadership and governance of the Board, while the Managing Director is accountable for overseeing the day-to-day management and the implementation of the Board's decisions and policies.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	Mr. Allen Lik-Hook Ting is not a member of any Board Committees namely the Audit Committee, Nomination Committee and Remuneration Committee since his appointment as Chairman of 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 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by an in-house suitably qualified company secretary in accordance with the requirements of the Companies Act 2016. She is a registered member of the Companies Commission of Malaysia ("CCM") and the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA").</p> <p>The company secretary manages all Board and Board Committees meeting logistics, attending and recording minutes to ensure that deliberations at Board and Board Committees meetings are well documented and subsequently communicated to the relevant personnel for appropriate actions.</p> <p>The company secretary advises the Board and Board Committees on its roles and responsibilities, corporate disclosures and compliance regulations and requirements under the Main Market Listing Requirements ("MMLR") of Bursa Securities and Companies Act 2016; monitors corporate governance developments and assists the Board in applying governance practices to meet the Board's needs while balancing stakeholders' expectation.</p> <p>All Directors have direct access to the advice and services of the company secretary in discharging their duties effectively. The company secretary regularly updates the Board on any changes in statutes and directives issued by the regulatory authorities and keeps the Board informed of their responsibilities.</p> <p>The company secretary is also acting as the official liaison party for the Company to prepare and submit statutory documents to the CCM. This is to ensure that any change in the Company's statutory information will be notified to the CCM in the relevant prescribed forms in a timely manner.</p> <p>The company secretary constantly keeps herself abreast of the regulatory changes and developments in corporate governance through attendance at relevant conferences and training programmes. She attended the relevant continuous professional development programmes as required by the CCM and MAICSA.</p>

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

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>Annual meeting calendar which provides details of scheduled dates for Board Meeting, Board Committees Meeting and Annual General Meeting ("AGM") is circulated to the Directors in advance of each new calendar year. The Directors and Principal Officers would receive notification on closed periods for dealings in securities based on the targeted dates of announcement of the Company's quarterly results.</p> <p>Prior to sending out the notice of meetings, the company secretary works closely with the chairpersons of the Board and Board Committees and management in drawing up the agenda of the meetings. The notice of meetings is sent to Directors and invitees via email at least 7 clear days prior to the meeting except for special meetings convened to discuss urgent matters. The management is notified of the relevant agenda and the deadline for submission of meeting materials.</p> <p>All Directors are provided with the relevant documents and information typically no later than five (5) business days before a meeting, unless the Directors agree to a shorter period, to enable them to obtain a comprehensive understanding of the agenda to be deliberated upon and to obtain a further explanation or clarification to facilitate the decision-making process and enable them to arrive at an informed decision.</p> <p>Draft minutes that are confirmed by management is circulated for the Board and Board Committees to review within a reasonable timeframe after the meeting.</p> <p>The deliberations and decisions at Board and Board Committees meetings are detailed in the minutes in a clear, accurate and timely manner. The minutes record the decisions of the Board and Board Committees including deliberations and decisions, the rationale for each decision as well as any significant concerns, dissenting views or abstentions by Directors from voting and deliberating on specific matters. Meeting minutes are typically approved and/or noted at the subsequent Board or Board Committees meeting.</p>
Explanation for departure	:	

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

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board Charter outlines the key value of the Company, the duties and responsibilities of Directors (including the roles and responsibilities of the Board, the Chairman of the Board, the Managing Director including Executive Directors), the roles and duties of the Board Committees (governed by terms of reference approved by the Board) and the role of company secretary in accordance with the principles of good governance set out in the policy documents and guidelines issued by the regulatory authorities.</p> <p>The Board Charter also serves as a reference, providing Board members and management with insight into the specific reserved matters that the Board oversees. These matters cover areas such as strategy and business planning, finance and controls, people, compliance, support and assurance are entrenched in the Board Charter.</p> <p>The Board Charter is made available on the corporate website. The Board Charter would be reviewed and updated periodically, when necessary, to ensure it remains relevant and effective at the prevailing time and business environment.</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 recognises the importance of leadership and stewardship in fostering an ethical corporate culture. To support this commitment, it has formalised and adopted two distinct sets of the Code of Ethics and Code of Conduct for all Directors and employees of the Group. These codes serve as essential guidance for the ethical and behavioural standards expected of all individuals within the Group.</p> <p>Code of Ethics</p> <p>The Board observes a high standard of ethical conduct based on the Company Directors' Code of Ethics established by the Companies Commission of Malaysia. The Code of Ethics provides guidance for proper standards of conduct with sound and prudent practices as well as standards of ethics and behaviour for Directors and employees, in line with the Company's core values. Directors and employees are expected to conduct themselves with the highest ethical standards and corporate governance.</p> <p>The Directors are required to notify the Company of any potential conflict of interest that may affect them in their role as Director of the Company under the Code of Ethics. All potential conflicts of interest are reviewed by the Board periodically.</p> <p>Code of Conduct</p> <p>The Company's Code of Conduct governs the professional conduct of its employees and outlines its responsibilities to the Group in performing their duties. The various policies and guidelines within the Code of Conduct spell out the standards and ethics that all Directors and employees are expected to adhere to in the course of their work. The Code of Conduct is designed to maintain discipline and order in the workplace among employees at all levels.</p> <p>Both the Code of Ethics and Code of Conduct are available on the corporate website and are to be observed by all Directors and employees of the Group.</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 Company had established and incorporated a Whistleblowing Policy in its Employees' Handbook and Board Charter. The policy outlined a clear procedure for Directors and employees to raise genuine concerns about any suspected and/or known violations while ensuring whistleblower protection. This policy is to facilitate Directors and employees to disclose any misconduct or criminal offence through the internal channel. Such misconduct or criminal offences include the following:</p> <ul style="list-style-type: none"> i. Fraud; ii. Corruption, bribery or blackmail; iii. Abuse of Power; iv. Conflict of Interest; v. Theft or embezzlement; vi. Misuse of Company's Property; vii. Non-Compliance with Procedure. <p>The Audit Committee is responsible for overseeing the implementation of the Whistleblowing Policy for the Company. The whistleblower can report their concerns via email directed to the chairperson of the Audit Committee or via letters/documents/reports.</p> <p>This policy is reviewed periodically and may be amended as it is deemed appropriate to ensure its relevance and effectiveness.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board firmly believes that sustainable business practices are crucial for creating long-term value. To ensure effective oversight of sustainability strategies, priorities, and targets, the responsibility lies with both the Board and management, who integrate Environmental, Social, and Governance (ESG) aspects into the Group's corporate strategy.</p> <p>For sustainability governance, a Terms of Reference (TOR) has been established to serve as the framework for the Company's sustainability governance to facilitate the Board in overseeing all sustainability related matters and a Sustainability Committee formed, chaired by the Executive Director/Chief Operating Officer and consists of representatives from various departments ensuring a range of perspectives and expertise in contributing to the development and implementation of sustainability policies by the management.</p> <p>The Board is responsible to oversee the overall sustainability strategy and the Group's sustainability framework to ensure that sustainability considerations are woven into the Group's broader strategic objective and decision-making process. The Managing Director and/or the Executive Director are responsible for incorporating sustainability into the business strategies and business decisions and the implementation of the sustainability initiatives as recommended and monitored by the Sustainability Committee.</p> <p>The Board also through the Sustainability Committee and the Risk Management Committee identifies and evaluates the business and organisation risks related to sustainability. The committees recommend the management in the implementation of robust risk management systems and controls to mitigate such risks to ensure the continued growth and sustainability of the businesses.</p>

	For further information on the Group’s sustainability practices and initiatives, please refer to the Sustainability Statement in the Annual Report 2024. This section provides a comprehensive overview of the Group’s commitment to sustainability and its impact on long-term success.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board, through the management and the Sustainability Committee, ensures the internal communication of the Group’s sustainability strategies, priorities, and targets, along with regular updates on performance against these targets. This is crucial, as the successful implementation of the company’s sustainability initiatives relies on the active participation and commitment of everyone within the organization. For external stakeholders, the Group communicates its sustainability requirements through policies published on our website. Suppliers are also required to review, understand, accept and comply with the Group’s Supplier Code of Conduct. Additionally, the Group’s sustainability activities, targets and performance are detailed in the Sustainability Statement within the Annual Report. This demonstrates the Group’s commitment to transparency and accountability in its sustainability efforts.</p> <p>For comprehensive details on the Group’s sustainability efforts, including performance metrics and future goals, stakeholders can refer to the Sustainability Statement in the Annual Report 2024.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board understands the importance of continuous training for its members, ensuring they are well-informed about evolving regulatory requirements and their implications for the Group. This commitment also extends to keeping the Board updated on the latest industry trends and sustainability issues, particularly those related to climate change and sustainable business practices.</p> <p>The Board, through the Nomination Committee (“NC”), assesses the training programmes for the Directors annually to ensure that they keep abreast with the relevant developments in the business environment as well as the relevant regulatory requirements.</p> <p>To address the growing importance of sustainability, the Board actively seeks out training opportunities related to sustainability issues pertinent to the Company’s operations. This proactive approach is designed to equip Board members with the knowledge needed to navigate sustainability challenges effectively. The Sustainability Committee is also tasked to stay informed of sustainability trends and best practices, present recommendations to the Board and contribute towards the development and review of sustainability policies, strategies and initiatives.</p> <p>The Board remains vigilant in tracking industry developments, enabling it to make informed strategic decisions that align with market dynamics and stakeholder interests.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.4

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>The Board understands that sustainability performance of the Company/ Group shall be tied to performance evaluation of the Board and Senior Management, to promote accountability and a more objective evaluation of the Company/ Group's performance as a whole.</p> <p>The annual evaluation of Directors will include specific considerations related to sustainability, where it covers amongst others, the Board's effectiveness in overseeing sustainability strategies and their implementation and also considers the Directors' dedication to personal development in sustainability-related areas, including training and awareness initiatives.</p> <p>The Board acknowledges the need for additional time to develop robust criteria for the performance evaluations of both the Board and Senior Management. The criteria will be designed to reflect the importance of sustainability in the Company's strategic direction, helping to align leadership performance with the Group's sustainability goals. This will ensure that the evaluations adequately address material sustainability risks and opportunities.</p>	
		Currently, the Company 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	:	The Board and Senior Management shall review and work on this area.	
Timeframe	:	Within 1 year	

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	:	Adopted
Explanation on adoption of the practice	:	<p>The Company has taken significant steps to enhance its sustainability practices by appointing an external consultant to assist in developing a comprehensive sustainability framework and establish tailored strategies and priorities that align with the Company's specific operations and objectives.</p> <p>Mr. Sow Ewe Lee, the Executive Director cum Chief Operating Officer, has been designated as the Chairperson of the Sustainability Committee of the Group, to strategically manage the Company's sustainability efforts. His focus will be on implementing sustainability priorities and ensuring that these considerations are integrated into the Company's operations. He also reports matters pertaining to sustainability to the Board and presents recommendations from the Sustainability Committee to the Board.</p>

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>NC is entrusted to ensure that the composition of the Board is refreshed periodically based on the strategies of the Group as it oversees the overall composition of the Board in terms of size, a mix of skills, experience, and core competencies, as well as the balance between Executive Directors and Non-Executive Directors.</p> <p>On an annual basis, the NC reviews the tenure of each Director and carries out a performance review to ensure that the Board as a whole and the Board Committees have been fulfilling their roles and responsibilities effectively. The independence of Non-Executive Directors is also reviewed annually, with reference to their independence of character and judgement and whether any circumstances or relationships exist which could affect their judgement.</p> <p>The Directors who are due to retire by rotation and are eligible for re-election at the upcoming AGM have been assessed by the NC and the Board with reference to the performance review and Directors' Fit and Proper Policy. Arising from a satisfactory outcome of the evaluation and consideration, the Board recommends and supports the re-election of the retiring directors at the forthcoming AGM.</p> <p>Additionally, the Board, with the recommendation of the NC, has completed the restructuring of its composition during the financial period under review in compliance with the MMLR of Bursa Securities on the limitation of Independent Director to twelve (12) years and also embraced the MCCG' recommendation of having a minimum of 30% women 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	:		
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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 5.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board currently consists of 6 members, comprising 2 Executive Directors and 4 Independent Non-Executive Directors. This structure ensures that a majority of the Board is comprised of Independent Directors, which aligns with the Company's commitment to good governance.</p> <p>The Company complies with the MMLR of Bursa Securities which mandate at least two independent directors or one-third of the Board, whichever is greater.</p> <p>The presence of a majority of Independent Directors enhances objective deliberation and decision-making, fostering an environment where diverse perspectives can be freely shared.</p> <p>The Board is committed to fostering an objective approach in all discussions, ensuring that the voices of all Directors regardless of whether they are Independent or Executive are heard and valued. This dedication to inclusive deliberation enhances the quality of decision-making and reinforces the overall effectiveness of the Board.</p> <p>Any Director who considers that he has or may have a conflict of interest or a material personal interest or a direct or indirect interest or relationship that could reasonably be considered to influence in a material way the Director's decisions in any matter concerning the Company is required to immediately disclose to the Board.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied	
Explanation on application of the practice	:	Currently, none of our Independent Directors has served the Group for a cumulative term of nine (9) years.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board comprises individuals with diverse professional backgrounds, skill sets, and perspectives, contributing to its effectiveness in making informed and critical decisions. This diverse composition enhances the Board's ability to address complex challenges and seize opportunities.</p> <p>The NC is entrusted with establishing a formal and transparent process for the appointment and assessment of Directors and Board Committees. The Board is committed to ensuring fair and equal treatment for all candidates for Board and senior management positions, regardless of gender, ethnicity, or age. New appointments are made based on merit, objective criteria, and a consideration of diversity in skills, experience, cultural background, and gender.</p> <p>A comprehensive set of director selection criteria is documented in the "Procedures for Selection and Appointment of New Directors," serving as a guide for both the selection of new Directors and the recruitment of senior management.</p> <p>Additionally, the Board has adopted a "Directors' Fit and Proper Policy" to evaluate the fitness and propriety of Directors, both prior to their initial appointment and at regular intervals thereafter, ensuring that the Board maintains high standards of integrity and competence.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.6

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

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>The current process with regard to the appointment of new directors to the Board is based on the recommendation of the NC. The Board relies on recommendations from the existing Directors and senior management and also referrals from business associates as the primary means to source for new directors.</p> <p>The Board does not utilise independent sources to identify suitably qualified candidates as through the recommendation of familiar parties, the Board is to a certain extent assured of the integrity of the candidates for directorship. The Board is of the view that this process has been working well towards enhancing the effectiveness of the Board.</p> <p>The directors' appointment process is carried out based on a methodical and robust process undertaken by the NC according to the nomination and appointment process per "Procedure For Selection And Appointment of New Directors" and "Directors' Fit and Proper Policy".</p> <p>Candidates recommended are thoroughly assessed based on their competence, integrity, character, time commitment and experience as stated in Rule 2.20A of MMLR of Bursa Securities.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Board will consider sourcing candidates from reliable external and independent sources whenever there is a vacancy.	
Timeframe	:	Others	Please specify number of years.

Intended Outcome

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

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises that the appointment and re-election of Directors is a crucial element of corporate governance, significantly influencing the leadership and direction of the company. Therefore, it is imperative that shareholders receive the information necessary to make informed decisions regarding these appointments and re-elections.</p> <p>The performance of retiring directors, who are recommended for re-election at the upcoming AGM, has been assessed and evaluated by the Board and the NC. This assessment includes an evaluation of the independence and "Fit and Proper" criteria for each Director.</p> <p>Comprehensive profiles of the Directors, including their age, gender, professional qualifications, work experience, directorships in other companies, any interests in the Company, and any potential conflict of interest within the Group are included in the Annual Report for shareholders' review.</p> <p>Additionally, the Board has provided a statement to support the re-election of these Directors, which is included in the explanatory note accompanying the notice of the AGM.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The current composition of NC comprises of three (3) members, all of whom are Independent Non-Executive Directors. The NC is chaired by Ms. Ong Phoe Be.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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	:	Currently, the Board has 2 female Directors out of 6 Directors, representing 33.33% women representation 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 5.10

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

Application	:	Applied
Explanation on application of the practice	:	<p>In view of the gained attention of boardroom diversity as an important element of a well-functioning organisation, the Board has established a Gender Diversity Policy which provides a framework for the Company to improve its gender diversity at the Board level and senior management.</p> <p>The Diversity Policy is detailed in the Board Charter where the Board is committed to providing fair and equal opportunities and nurturing diversity at all levels within the Group, full details of which are available on the corporate website.</p> <p>As explained under the Gender Diversity Policy, all new appointments of Board members or senior management shall be based on merits, objective criteria and with regard to diversity in skills, experience, age, cultural background and gender.</p> <p>The Company shall endeavour to have representation of women at the senior management level and the Board of the Company, in alignment with the Gender Diversity Policy and will actively work towards achieving appropriate representation of women at the senior management level.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Departure
Explanation on application of the practice	:
Explanation for departure	: <p>The NC has a formal assessment mechanism in place to assess on an annual basis, the effectiveness of the Board Committees, the Board as a whole and the contribution of each individual Director, including the independence of the Independent Non-Executive Directors as well as contribution and performance of the Audit Committee and each individual Audit Committee member.</p> <p>The Board had through the NC and facilitated by the company secretary, undertaken the following annual assessments based on the recommended evaluation criteria per the Corporate Governance Guide issued by Bursa Securities:</p> <p>(i) Effectiveness of the Board as a whole and the Committees of the Board</p> <p>The Board is assessed in the areas of the composition, mix of skills, experience and core competencies, decision-making process, Boardroom activities and; interaction and communication with the management and other stakeholders, as well as the effectiveness of the Chairman. Board Committees are assessed in terms of accountabilities and responsibilities and the success of the Board Committees in achieving their objectives.</p> <p>(ii) Self-assessment on contribution and performance of each individual Director</p> <p>The individual director (via self and peer assessment) is assessed based on the criteria calibre and personality, experience, integrity,</p>

	<p>and competence that can be committed by each of the said persons to effectively discharge his/her role as a director.</p> <p>(iii) Assessment of Independence of the Independent Non-Executive Directors</p> <p>Individual Independent Non-Executive Directors performed a self-assessment of their independence.</p> <p>(iv) Contribution and performance of the Audit Committee and each individual Audit Committee member</p> <p>The term of office and performance of the Audit Committee and each of its members (via self and peer assessment) are assessed.</p> <p>The results of the assessments are compiled by the company secretary and are tabled in the form of a summary to the NC for review and deliberation and report the same to the Board. The Board members will take note of areas that require more attention and improvement. The results of the assessments also form the basis of the NC's recommendation to the Board for the re-election of Directors at the AGM.</p> <p>Based on the results of the assessment conducted, the Board was satisfied with the performance of the Board, Board Committees, individual directors, the level of independence demonstrated by all Independent Non-Executive Directors and their abilities to act in the best interests of the Company during deliberations at the Board and Board Committees meetings.</p> <p>The Board was also satisfied with the performance of all the Audit Committee members and they have performed their duties and functions in accordance with the Terms of Reference of the Audit Committee.</p> <p>The Board has reviewed the current evaluation processes and is of the opinion that they are adequate in providing an objective annual assessment of the effectiveness of the Board, Board Committees and each individual Director.</p> <p>The Board has reviewed the current evaluation processes and is of the opinion that they are adequate in providing an objective annual assessment of the effectiveness of the Board, Board Committees and each individual Director.</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>: The Board may appoint a suitable independent expert to facilitate evaluations of the Board on a periodic basis as and when the Board deems necessary.</p>
<p>Timeframe</p>	<p>: Others</p> <p>Please specify number of years.</p>

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Remuneration Committee ("RC") has in place a Remuneration Framework and Remuneration Policy for Directors and Senior Management which is available on the Company's website.</p> <p>The RC is responsible for reviewing, assessing, and recommending the remuneration packages of the Executive Directors after taking into consideration the individual performance, seniority, experience, and scope of responsibilities, ensuring that the packages are competitive enough to attract and retain the Executive Directors necessary for the Company's success.</p> <p>The remuneration for Executive Directors is designed to align rewards with both Group and individual performance, while the remuneration of the Non-Executive Directors is determined based on their experience and the level of responsibilities assumed. To ensure that Directors' remuneration is competitive and aligned with market expectations, the RC references the remuneration packages of other public listed companies.</p> <p>Executive Directors do not participate in decisions regarding their own remuneration. Similarly, the remuneration of Independent Non-Executive Directors is determined by the Board as a whole, with individual Directors abstaining from discussions about their own remuneration.</p> <p>The remuneration of senior management is the prerogative of the respective Managing Director of the Group as they oversee the recruitment, management and evaluation of senior management performance.</p>
Explanation for departure	:	

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

Intended Outcome

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

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

Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied	
Explanation on application of the practice	:	<p>The RC of the Company comprises three (3) members, all of whom are Independent Non-Executive Directors for the financial period under review.</p> <p>The RC was formed to assist the Board in determining, developing and recommending an appropriate remuneration package for Directors and senior management so as to attract, motivate and retain the Directors and senior management.</p> <p>The RC operates under clearly defined Terms of Reference, outlining its duties and authorities. The Terms of Reference is available on the corporate website.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	Details of the Board's remuneration of the Company and the Group on a named basis for the financial period ended 30 June 2024 are set out below.

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	Chin Kem Weng	Executive Director	Input info here	Input info here	1,044,738	133,000	25,626	Input info here	1,203,364	Input info here	Input info here	1,044,738	133,000	25,626	Input info here	1,203,364
2	Sow Ewe Lee	Executive Director	Input info here	Input info here	670,256	282,990	29,940	Input info here	983,186	Input info here	Input info here	670,256	282,990	29,940	Input info here	983,186
3	Tan Moon Teik (Resigned on 2 October 2023)	Executive Director	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	239,979	Input info here	30,000	Input info here	269,979
4	Allen Lik-Hook Ting (Appointed on 31 May 2023)	Independent Director	156,000	Input info here	Input info here	Input info here	Input info here	Input info here	156,000	156,000	Input info here	Input info here	Input info here	Input info here	Input info here	156,000
5	Ong Phoe Be	Independent Director	142,000	Input info here	Input info here	Input info here	Input info here	Input info here	142,000	142,000	Input info here	Input info here	Input info here	Input info here	Input info here	142,000
6	Dato' Jeeventhiran a/l Ramanaidu	Independent Director	90,000	Input info here	Input info here	Input info here	Input info here	Input info here	90,000	90,000	Input info here	Input info here	Input info here	Input info here	Input info here	90,000
7	Ong Siew Min (Appointed on 2 October 2023)	Independent Director	54,000	Input info here	Input info here	Input info here	Input info here	Input info here	54,000	54,000	Input info here	Input info here	Input info here	Input info here	Input info here	54,000
8	Hew Voon Foo (Resigned on 2 October 2023)	Non-Executive Non-Independent Director	40,000	Input info here	Input info here	Input info here	Input info here	Input info here	40,000	40,000	Input info here	Input info here	Input info here	Input info here	Input info here	40,000
9	Teh Kim Seng (Resigned on 31 May 2023)	Independent Director	12,000	Input info here	Input info here	Input info here	Input info here	Input info here	12,000	12,000	Input info here	Input info here	Input info here	Input info here	Input info here	12,000
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

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	:	The Remuneration Committee and the Board are of the view that it is not to the Company's advantage or best interest to disclose the senior management personnel names and the various remuneration components in detail considering the highly competitive market for senior management personnel with the requisite knowledge, technical expertise and working experience in the industry in which the Company operates. Accordingly, such disclosure of specific remuneration information may give rise to recruitment and talent retention issues.	
		As an alternative, the Remuneration Committee and the Board believe that the transparency and accountability aspects of corporate governance as applicable to the Senior Management's remuneration are appropriately served by disclosure in RM50,000 bands as set out in the Annual Report 2024 is adequate.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Board believes that the disclosure of Senior Management's remuneration in RM50,000 bands is adequate. The Board will consider the best practice in the Group's interest from time to time.	
Timeframe	:	Others	Please specify number of years.

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The positions of the Chairperson of the Board and the Audit Committee are held by two different persons which allow the Board to objectively review the AC's findings and recommendations.</p> <p>Ms. Ong Phoe Be is the Chairperson of the Audit Committee whereas Mr. Allen Lik-Hook Ting is the Chairman of the Board for the financial period under review.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company has updated its Auditors Policy, which includes guidelines for the appointment of External Auditors. Notably, this policy stipulates that a former key audit partner must observe a cooling-off period of at least three years before being considered for appointment as a member of the Audit Committee.</p> <p>Currently, none of the members of the Audit Committee is a former key audit partner, ensuring compliance with this policy and promoting independence in the audit process.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board had on 28 February 2018 established the Auditors Policy to outline the guidelines and procedures together with annual assessment criteria for the Audit Committee ("AC") to assess and monitor the performance of the auditors (for both External and Internal Auditors). The policies and procedures to assess the suitability, objectivity and independence of the External Auditors are stipulated in the Auditors Policy. The last review was performed, updated and approved by the Board on 25 October 2021.</p> <p>The AC is empowered by the Board to review all issues in relation to the reappointment of External Auditors annually. During the financial period under review, the AC conducted performance evaluation and independent assessment of External Auditors based on recommended evaluation criteria per the Corporate Governance Guide issued by Bursa Securities via an evaluation survey questionnaire based on the following key areas with the answers being collated, summarised and deliberated during the AC meeting:-</p> <ul style="list-style-type: none">• Calibre of External Auditors;• Quality processes/ performance;• Audit team• Independence and objectivity;• Audit scope and planning;• Audit fee; and• Audit communications. <p>The External Auditors have confirmed to the AC that they have continuously complied with the relevant ethical requirements regarding their independence throughout the conduct of the audit engagement with the Group, in accordance with the terms of all relevant professional and regulatory requirements. The External Auditors are precluded from providing any services that may impair their independence or conflict with their role as External Auditors.</p> <p>The AC will also observe the professionalism, openness in communication and interaction with the External Auditors through private discussions if they demonstrate their independence. The AC met with the External Auditors twice during the financial period under</p>

	<p>review in the absence of the Executive Directors and management team.</p> <p>Having regarded the meetings (including the private sessions held) with the External Auditors and the assessment of the suitability of the External Auditors performed, the AC and the Board is of the opinion that the External Auditors were suitable and able to deliver the assurance engagement professionally and diligently with sufficient level of independence under the relevant laws and regulations and recommended their reappointment to the Board for shareholders' approval.</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

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	:	The AC comprises three (3) members, all of whom are Independent Non-Executive Directors for the financial period under review.

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	:	All members of the AC bring a diverse range of skills, experience, and qualifications, including expertise in accounts, corporate finance, and business, which enables them to fulfil their fiduciary duties effectively. One notable member, Ms. Ong Siew Min, is a fellowship member of the Malaysian Institute of Accountants. All AC members are financially literate and possess the necessary skills and experience to carry out their responsibilities competently. Additionally, the AC receives regular briefings from external auditors on updates of applicable accounting and auditing standards, ensuring they remain informed about relevant accounting requirements.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges its responsibility for maintaining a robust system of internal control and risk management. To support this, the Company has established a Risk Management Committee ("RMC") which is led by Mr. Sow Ewe Lee, the Executive Director cum Chief Operating Officer of the Company with a membership comprising representatives from various departments.</p> <p>The Board has adopted a comprehensive risk management framework that stipulates the risk management policy, definitions of risks and controls, Group risk management reporting structure and terms of reference for the RMC. The Group refers to the ISO 31000 Risk Management Standard as a guideline for identifying, evaluating, managing and monitoring significant risks in the Group in order to align its risk management processes with the dynamic business environment.</p> <p>Additionally, the Group adopts control objectives and procedures from ISO 9001 and ISO 14001 for its day-to-day operational processes and implements standard operating policies designed to mitigate business risks and adverse outcomes.</p> <p>The ongoing process for identification, evaluation and management of significant risks has been integrated and embedded into the Group operations. The process is continuously reviewed for adequacy and effectiveness, aiming to safeguard shareholders' investment and Group assets.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.2

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 has established a risk management framework that employs a structured and integrated approach to address key business risks. This framework together with the internal control system is designed to manage the Group's risks within its risk appetite rather than attempting to eliminate the risk of failure in achieving the Group's business and corporate objectives.</p> <p>The RMC, Internal Auditors and External Auditors of the Company conduct regular reviews and audits to assess the adequacy and effectiveness of material internal controls related to key risks. Based on the audit findings and recommendations presented by the Internal Auditors and External Auditors, the Board, with support from the RMC and AC, will review the adequacy and effectiveness of the Company's risk management and internal control systems across various domains, including financial, operational, compliance and information technology risks, in order to enhance the Group's internal control.</p> <p>Annually, the Board receives formal assurance from both the Chief Operating Officer and Chief Financial Officer confirming that the Group's risk management and internal control system operate adequately and effectively, in all material aspects, for the financial year under review.</p> <p>With the assurance above, the Board is of the opinion that thus far, the existing risk management framework and policies and internal controls are effective in monitoring and mitigating the Group's current risks to acceptable levels thereby safeguarding the interest of shareholders, customers, employees and other stakeholders as well as the Group's assets. The Board is committed to continually reviewing and updating the framework and policies to address new and changing risks affecting the Group.</p> <p>The key features of the risk management and internal control framework are set out in the Statement on Risk Management and Internal Control in the Annual Report 2024.</p>

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

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group's internal audit function has been outsourced to CGRM Infocomm Sdn Bhd, an independent professional firm, to carry out systematic reviews of the governance, risk and internal control systems within the Group in accordance with a risk-based internal audit plan approved by the AC.</p> <p>The Internal Auditors work closely with the management to carry out their internal audit activities and present their internal audit reports directly to the AC on a quarterly basis. Their reports include, inter alia, identifying key risks of auditable areas, control and monitoring measures implemented and improvement recommendations, where required. There were no material issue or major deficiency identified which poses a high risk to the overall system of internal control for the financial year under review.</p> <p>The management personnel are responsible to ensure that all agreed action plans on improvements identified have been implemented within the stipulated timeline. The Internal Auditors will follow up with the management on the implementation of the agreed action plans and present follow-up reports to the AC thereafter.</p> <p>The AC had carried out an annual assessment of the quality and competency of the internal audit function based on an assessment questionnaire and found the function to be adequately staffed and competent to discharge its duties effectively.</p> <p>The details of the internal audit function and activities are set out in the Audit Committee Report in Annual Report 2024.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The internal audit function is currently outsourced to an independent professional firm and reports functionally to the AC. This reporting relationship promotes independence and objectivity, which assures adequate consideration of audit observations, recommendations and planned corrective actions. In addition, the Internal Auditors provided the AC with a signed declaration of their proficiency, competency, resources and independence, and a list of continuous professional education attended by their audit engagement team on an annual basis.</p> <p>A team of 2 to 3 personnel will be assigned to carry out the internal audit review of the Group depending on the scope of review according to the approved risk-based internal audit plan. The team is headed by Ms Jasmine Lee Huay Ling, who is a Certified Internal Auditor, Certified Risk Management Assessor and chartered member of the Institute of Internal Auditors with many years of internal audit experience. As a minimum, the internal audit team possess a bachelor's degree with some of them being ACCA or CPA qualified professionals.</p> <p>The internal audit fieldwork and reporting are carried out with reference to the International Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors and the COSO Framework for Internal Controls.</p> <p>The audit approach adopted by the Group is risk-based and targeted at assessing and reviewing the implementation and monitoring of controls to address the critical risk areas of the Group which are consistent with the Group's framework in designing, implementing and monitoring internal control systems.</p> <p>The AC is of the opinion that the Internal Auditors are free from any relationships or conflicts of interest, which could impair their objectivity and independence of the internal audit 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

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges the importance of timely and equal dissemination of material information to the shareholders, stakeholders and public at large. Accordingly, the Board adopted a Shareholders' Communication Policy and Corporate Disclosure Policy which applies to all Directors, Officers and employees aiming at effectively handling and disseminating corporate information timely and accurately to its shareholders, stakeholders and the public in general as required by Bursa Securities.</p> <p>As part of the Group's commitment towards having effective communication with the stakeholders, the following have been established:</p> <ul style="list-style-type: none">• a dedicated website of the Group which can be accessed at www.genetec.net• news centre links to Bursa Securities filing for all material announcements regarding the corporate development in business activities, corporate exercise and financial performance of the Company including quarterly and annual financial results as well as annual reports• the contact information for the designated personnel is also made available on the Company's website for the stakeholders to channel their concerns• AGM serves as the principal forum for direct interaction and dialogue between the shareholders, the Board and the senior management• media and analyst briefing upon the release of its quarterly and annual results announcements; and major corporate exercises when deemed necessary
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	:	<p>The Company, classified as a Large Company under the definition of Paragraph 2.7 of the Malaysian Code on Corporate Governance with effect from the current financial period, has yet to adopt integrated reporting.</p> <p>To enable stakeholders to make informed decisions, the Company has disclosed in its Annual Report 2024 various statements in accordance with MMLR of Bursa Securities to enable the shareholders and investors. The current annual report provides stakeholders with a fairly comprehensive overview of the Company's financial and non-financial information, information such as Management Discussion and Analysis, Sustainability Statement, Corporate Governance Overview Statement and Statement on Risk Management and Internal Control form an integral part of the non-financial information to have a better understanding of the Company's business and performance.</p> <p>The Company also maintains a corporate website that allows the shareholders and the public to access information about the Company, including corporate information, financial information, announcements and other relations.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Company notes that integrated reporting is an ongoing process of reporting improvement and will identify the structural changes that would be required for the proposed transition to the same.
Timeframe	:	Others 3 to 5 years

Intended Outcome

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

Practice 13.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company despatches the Notice of AGM to shareholders at least 28 days before the AGM, well in advance of the 21-day requirement under the Companies Act 2016 and MMLR of Bursa Securities. At the last AGM, the notice was dated 30 August 2023 whilst the AGM was held on 29 September 2023.</p> <p>The additional times given to shareholders allow them to make arrangements to attend and participate in person or through their proxy/ies or corporate representative/s or attorney/s, where necessary.</p> <p>The Notice for AGM also outlines resolutions to be tabled for decision during the AGM accompanying the detailed explanatory notes for the proposed resolutions. This enables the shareholders to consider the resolutions and make informed decisions in exercising their voting rights at the AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.2

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	:	<p>The Board ensures that all the Directors of the Company including the Chairperson of the respective Board Committees together with the senior management attend the AGM to address the issues raised by the shareholders. All the Directors were present virtually at the last AGM held on 29 September 2023.</p> <p>The External Auditors were also present virtually at the AGM to provide professional and independent clarification to shareholders' questions on pertinent and relevant matters.</p> <p>Shareholders were invited to submit online questions through the remote participation and voting ("RPV") facilities and the Directors responded to the questions raised by the shareholders.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has effectively utilised technology to enhance shareholder participation and improve the proceedings of its general meetings through remote participation and remote voting (“RPV”) facilities. This approach allows shareholders to engage in the poll on resolutions tabled at the meetings.</p> <p>All proceedings and poll voting for the general meetings were conducted entirely via RPV facilities. To assist shareholders in participating through the online platform, an administrative guide detailing the registration and voting procedures was provided and published on the Company’s website, encouraging greater participation.</p> <p>During the general meetings, shareholders and proxies were briefed on how to use the Query Box facility for real-time submission of questions, as well as the remote voting process. This initiative aims to foster transparency and inclusivity, ensuring that all shareholders can actively engage in the Company’s decision-making processes.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The Chairman of the Board is dedicated to facilitating shareholders engagement during general meetings.</p> <p>The last AGM was conducted entirely online on 29 September 2023. In advance of the meeting, the Company issued the Annual Report 2023 together with administrative notes which encompassed the guidance for participating in the virtual meeting.</p> <p>The shareholders had the opportunity to participate and interact actively with the Board in the general meetings through live streaming of general meetings proceedings. The shareholders were able to submit their questions via Query Box using the RPV facilities from the date of AGM notice up to the meeting day.</p> <p>The Chairman ensured that the shareholders were given sufficient opportunity to pose questions both before and during the AGM. All relevant inquiries, whether pre-submitted or raised during the general meeting, were addressed, covering both financial and non-financial topics. Responses were documented in the minutes of the general meetings and subsequently published on the corporate website within a reasonable timeframe after the general meeting.</p>
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:

Timeframe	:		
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Intended Outcome

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

Practice 13.5

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 :	Applied
Explanation on application of the practice :	<p>Last year AGM of the Company were held fully virtual through live streaming and online remote voting via RPV facilities taking into consideration the cost-benefit of the virtual meeting. Adequate tools and infrastructure were in place to ensure a smooth broadcast of the virtual general meetings.</p> <p>There was active participation by the shareholders and Directors as well as senior management, were present virtually to engage with shareholders. External Auditors were also present virtually to respond to shareholders' queries.</p> <p>The relevant questions from the shareholders submitted prior to the date of general meetings and during the general meetings via RPV facilities were broadcasted to the shareholders and answered by the Chairman of the Board and Managing Director and the corresponding answers were compiled and published on the "Investor Relations" of the corporate website.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The minutes of the Twenty-Fifth AGM of the Company, which include the questions raised by shareholders together with the responses by the Company and the outcome of the voting results, were made available to the shareholders within thirty (30) business days after the AGM of the Company at the Company's website.
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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