

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0104
COMPANY NAME : GENETEC TECHNOLOGY BERHAD
FINANCIAL YEAR : March 31, 2023

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the key role it plays in charting the strategic direction of the Group, comprising the Company and its subsidiaries. To achieve this, the Board and through the Board Committees have carried out the following activities during the financial year under review and up to the date of this Corporate Governance Report:</p> <ol style="list-style-type: none">1. Deliberated strategic business planning at its scheduled Board meetings twice a year in meeting the objectives and goals of the Group. 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 for the Board approval.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 outsourced internal audit function, and endorsed corrective actions based on the recommendations proposed by the internal audit function. The Board also has received formal assurance from the Chief Operating Officer and Chief Financial Officer that the Group's system of risk management and internal control is sound and adequate in all aspects. 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>4. The Company has in place a Remuneration Policy for Directors and Senior Management which is formulated with the aim to support the Company's key strategies and create a strong performance-orientated environment, and be able to attract, motivate and retain Directors and senior management. Performance-based incentives were provided to Executive Directors and senior management to ensure the business was conducted effectively towards meeting the corporate objectives of the Group.</p> <p>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 2023 providing an overview of the state of the risk management and internal controls within the Group.</p> <p>6. Considered succession of Board members as well as senior management personnel, the review of which was performed by the Nomination Committee as part of its remit; and</p> <p>7. In recognising the importance of stakeholder communication, the Company had put in place 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><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 chaired by Mr Hew Voon Foo, an Independent Non-Executive Director who is responsible for instilling good corporate governance practices, leadership and composition of the Board during the financial year 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 be maintained between Executive and Non-Executive Directors;(e) facilitating the regular evaluation of the performance of the Board members, its committees and individual Directors;(f) ensuring the financial management practices are performed at a high level of integrity and business dealings are carried out in an ethical manner 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 on 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> <p>For information, Mr Hew Voon Foo ceased to be the Chairman of the Board and Mr Allen Lik-Hook Ting, an Independent Non-Executive</p>

	Director, was appointed as the Chairman of the Board effective on 31 May 2023.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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 Hew Voon Foo 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> <p>For information, Mr Hew Voon Foo ceased to be the Chairman of the Board and Mr Allen Lik-Hook Ting, an Independent Non-Executive Director, was appointed as the Chairman of the Board effective on 31 May 2023.</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	: Departure
Explanation on application of the practice	:
Explanation for departure	: Mr Hew Voon Foo, the Chairman of the Board, is also a member of the Audit Committee and the Chairman of the Remuneration Committee and Nomination Committee for the financial year under review. He was invited to sit on these three (3) Board Committees due to his vast experience related to the matters delegated to these Board Committees. All these Board Committees are also supported by the other two (2) Independent Non-Executive Directors. The Chairman is conscious of his differing roles on the Board and in these 3 Board Committees. All issues before recommending to the Board are thoroughly deliberated at the committee level which involved the participation of the other 2 Independent Non-Executive Directors who will provide check and balance to the objectivity of its decisions. All recommendations by the Board Committees to the Board have been arrived at unanimously. In addition, where there are matters involving the Chairman as a party, he will recuse himself from all deliberations.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	: Based on the recommendation of the Nomination Committee, the Board has approved the restructuring in the composition of the Board and Board Committees effective on 31 May 2023 in compliance with Practice 1.4.
Timeframe	: Within 1 year

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 attends all Board, Board Committees and general meetings and ensures that accurate and proper records of the proceedings of meetings, and their resolutions passed are kept.</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 ACE Market Listing Requirements 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 Board was kept well informed of all announcements released by the company secretary via emails soon after the announcements were released to Bursa Securities.</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 Companies Commission of Malaysia 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>To facilitate the Director's time planning, the annual meeting calendar is prepared and circulated in advance of each new calendar year. The calendar provides the Board with scheduled dates for meetings of the Board and Board Committees and the Annual General Meeting.</p> <p>The company secretary also sends out notices of closed period for dealings in securities to the Directors and Principal Officers prior to the Closed period for dealings in the Company's securities based on the targeted dates of announcements of the Group'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 which are confirmed by management is circulated for Board and Board Committees to review within a reasonable timeframe after the meeting.</p> <p>Board and Board Committees meetings proceedings are well-documented by the company secretary. The minutes reflect key 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 formalised and adopted the Board Charter on 22 May 2013 and it was last reviewed, revised and approved by the Board on 25 October 2021.</p> <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 insight into the function of the Board specific reserve matters covering 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	:		
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Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has adopted two distinct sets of the Code of Ethics and Code of Conduct for all Directors and employees of 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 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 the grievance procedure for Directors and employees as well as the handling of reported violations and 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, and all whistle-blowing reports are addressed to the Audit Committee Chairperson.</p> <p>The last review of the Whistleblowing Policy was performed, revised and approved by the Board on 26 February 2020 and is available on the corporate website.</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 believes that sustainable business practices are essential to the creation of long-term value. In terms of structural oversight over sustainability including strategies, priorities and targets, it is reposed to the Board and management who are responsible for operational execution to factor Environmental, Social and Governance ("ESG") aspects as part of the Group's corporate strategy.</p> <p>The Group has established a Sustainability Committee which is led by Mr Sow Ewe Lee, the Executive Director cum Chief Operating Officer of the Company and comprises Key Management and certain management staff. The Sustainability Committee reports to the Managing Director and provides the progress and updates to the Board annually and seeks their advice on related issues.</p> <p>In line with the integration of sustainability considerations into corporate strategy, governance and decision-making, as well as the impact of the issues, the Company had organised a Sustainability Materiality Workshop for certain Executive Directors, Key Management and heads of department of the Company.</p> <p>The Board also through the Risk Management Committee identifies and evaluates the business and organisation risks as well as implements the continually improving risk management systems and controls to mitigate such risks to ensure the growth and sustainability of the businesses.</p> <p>The assessment of the Board's understanding of sustainability issues has been incorporated into the annual performance evaluation for the financial year 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

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 Company is in constant engagement with both internal and external stakeholders. The Company’s expectations are communicated to the relevant stakeholders.</p> <p>The Company develops, implements and maintains sound management systems for sustainable development and growth that drive continual improvement.</p> <p>As with preceding years, the Company has produced a Sustainability Statement that forms part of the Annual Report. The report aims to provide stakeholders with a tangible appreciation of ESG as well as Environmental determinants that are being embedded within the operations of the Group. The Group incorporates ESG risks and opportunities into the business decisions given their heightened materiality in the decision-making considerations of stakeholders. The Company is regularly fine-tuning this process.</p> <p>The Sustainability Statement in the Annual Report 2023 is accessible to both internal and external stakeholders.</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, through the Nomination Committee, 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>In order to ensure the Board is kept abreast on sustainability issues which are relevant to the Company’s business and operations, the Directors attended a training on ‘Operationalizing The ESG Business Imperative’ during the financial year under review. The Board will continue to be on the lookout for sustainability-related training.</p> <p>Furthermore, frequent and robust engagement with stakeholders via various methods of communication allow the Board to keep abreast of their needs and expectations and identify the areas that matter most to the Company.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The formation of the Sustainability Committee was established during the financial year under review.	
		A detailed study is required for developing the criteria for the performance evaluations of the Board and the senior management to address the material sustainability risks and opportunities.	
		The Company does not have any alternative practice currently.	
<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 this area in the next financial year.	
Timeframe	:	Others	

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	:	The dedicated person is Mr Sow Ewe Lee, the Executive Director cum Chief Operating Officer of the Company. He is tasked to take care of and manage the interest of all stakeholders according to the sustainability priorities.

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>Nomination Committee ("NC") is entrusted to ensure that the composition of the Board is refreshed periodically based on the strategies of the Group, the tenure of each Director, and the results of the Board and Board Committee's evaluation performance. The annual re-election of a Director should be based on a satisfactory evaluation of the Director's performance and contribution to the Board.</p> <p>NC also annually reviews the performance of all Directors including those seeking re-election based on competency, preparedness and independence (for Independent Directors) as well as fit and proper declarations as set out in the Director' Fit and Proper Policy adopted by the Company for the appointment and re-election of Directors.</p> <p>The Board with the recommendation of the NC had on 31 May 2023 completed the restructuring in the composition of the Board in compliance with the ACE Market Listing Requirements of Bursa Securities on the limitation of Independent Director to twelve (12) years.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board comprises seven (7) members, of whom three (3) are Executive Directors and four (4) are Independent Non-Executive Directors, hence complying with this practice for the financial year under review.</p> <p>Each of the Independent Directors has declared his personal independence to the Board based on the criteria as set out in the ACE Market Listing Requirements of Bursa Securities.</p> <p>The Board recognises the importance of independence and objectivity in the decision-making process. The Board with assistance from the Nomination Committee will undertake to carry out an annual assessment of the effectiveness of the Directors and consider whether the Independent Non-Executive Directors can continue to bring independent and objective judgement to the Board deliberations.</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	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>There are two (2) Independent Non-Executive Directors on the Board namely Mr Hew Voon Foo and Mr Teh Kim Seng who have served as Independent Directors of the Company for a tenure of more than nine (9) years.</p> <p>In view of the lapse of 12 years for independence, Mr Teh Kim Seng has offered not to be reappointed and resigned as a member of the Board of Directors and Mr Hew Voon Foo has been redesignated as a Non-Independent Non-Executive Director with effect from 31 May 2023.</p> <p>Subsequent to the above, there is no independent director on the current Board who is close to the term of 9 years</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 5.4 - 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 does not practice any form of gender, ethnicity and age group as all candidates for either Board or senior management shall be given fair and equal treatment. Any new appointments of the Board 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 Board has in place a set of director selection criteria for use in the selection and recruitment process as documented in the “Procedures for Selection and Appointment of New Directors”. This set of criteria will be used as a reference for the selection and recruitment of senior management of the Company as well.</p> <p>The Board also has on 26 May 203 adopted the “Directors’ Fit and Proper Policy” to assess the fitness and propriety of Directors both prior to their initial appointment and at regular intervals.</p> <p>The Profile of the Board of Directors and the Key Senior Management are set out in the Annual Report 2023.</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 Nomination Committee (“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”. Candidates recommended are thoroughly assessed based on their competence, integrity, character, time commitment and experience as stated in Rule 2.20A of AMLR 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

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 profiles of the Directors, including their age, gender, professional qualifications, work experiences, directorships in other companies and interest in the Company (if any) are set out in Annual Report for the shareholders' purview.</p> <p>The performance of the retiring directors is assessed by the Nomination Committee ("NC") and Board before the recommendation is made to the shareholders for consideration. For Independent Directors, the NC also assess their relationship with the executives that might influence or reasonably be perceived to influence their capacity to bring an independent judgement and to act in the best interests of the Company as a whole.</p> <p>The Board's statement of support on the re-election or re-appointment of the Directors is set out in the explanatory note of the notice of the Annual 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	:	

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	:	<p>The Board has established a Nomination Committee (“NC”), comprising three (3) members, all of whom are exclusively Independent Non-Executive Directors and is chaired by Mr Hew Voon Foo for the financial year under review.</p> <p>In reviewing the independence and continuity of the Independent Director who had served the Board of the Company for a tenure of more than 9 years, the Chairman of the NC, being the Director subjected to review, abstained from the conduct of review to ensure that the NC’s independence is preserved in relation to such assessment, and fair review was performed.</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 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board has one (1) female director and six (6) male directors for the financial year under review.	
		The Company takes cognizance of the importance of gender diversity as laid in the best practice of the Malaysian Code on Corporate Governance ("MCCG"). Hence, the Board through its Nomination Committee will actively in sourcing suitable candidates to work towards having at least 30% women directors in compliance with Practice 5.9 of the MCCG.	
		The Company does not have any alternative practice currently.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Board through its Nomination Committee would ensure women candidates are sought as part of its recruitment exercise as and when there is a vacancy as well as when suitable and qualified candidates are identified.	
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 5.10

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-functioned 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.</p> <p>The Diversity Policy is set out 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 Diversity Policy, any 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 line with the Gender Diversity Policy and will actively work towards having appropriate representation of women at the senior management level and the Board of the Company to comply with Practice 5.9 of the Malaysian Code on Corporate Governance.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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	: Applied
Explanation on application of the practice	: <p>The Nomination Committee (“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, 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 be tabled in the form of a summary by the NC Chairman to the Board for review and deliberation. 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/re-appointment of Directors at the Annual General Meeting.</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>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

Intended Outcome

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.</p> <p>This Remuneration Policy is designed with the aim to support the Company's key strategies and create a strong performance-orientated environment, and be able to attract, motivate and retain Directors and senior management.</p> <p>In the case of Executive Directors, the components of the remuneration package are structured so as to link rewards to corporate and individual performance. Whereas, the level of remuneration of the Non-Executive Directors is reflective based on their experience, time commitment and level of responsibilities.</p> <p>The RC's recommended remuneration for Executive Directors is guided by market norms and industry practices and subject to the Board's approval as it is the ultimate responsibility of the Board to approve the remuneration of the Executive Directors. Whereas, the remuneration of senior management is the prerogative of the Managing Directors as they are responsible for recruiting, managing, monitoring and evaluating the performance of senior management.</p> <p>The Non-Executive Directors' fees are determined by the Board as a whole and subject to the shareholders' approval at the Annual General Meeting of the Company.</p> <p>Each Director shall abstain from the deliberation and voting on matters pertaining to their own remuneration.</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 Remuneration Committee (“RC”) of the Company comprises three (3) members, all of whom are Independent Non-Executive Directors for the financial year 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 which state the duties and authorities of the RC. Terms of Reference of RC with the last review performed and approved by the Board on 28 February 2018 are published 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 year ended 31 March 2023 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	829,200	120,000	15,504	Input info here	964,704	Input info here	Input info here	829,200	120,000	15,504	Input info here	964,704
2	Sow Ewe Lee	Executive Director	Input info here	Input info here	510,789	73,920	12,225	Input info here	596,934	Input info here	Input info here	510,789	73,920	12,225	Input info here	596,934
3	Tan Moon Teik	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	479,150	35,000	60,000	Input info here	574,150
4	Hew Voon Foo	Independent Director	96,000	Input info here	Input info here	Input info here	Input info here	Input info here	96,000	96,000	Input info here	Input info here	Input info here	Input info here	Input info here	96,000
5	Teh Kim Seng	Independent Director	72,000	Input info here	Input info here	Input info here	Input info here	Input info here	72,000	72,000	Input info here	Input info here	Input info here	Input info here	Input info here	72,000
6	Ong Phoe Be	Independent Director	72,000	Input info here	Input info here	Input info here	Input info here	Input info here	72,000	72,000	Input info here	Input info here	Input info here	Input info here	Input info here	72,000
7	Dato' Jeeventhiran a/l Ramanaidu	Independent Director	72,000	Input info here	Input info here	Input info here	Input info here	Input info here	72,000	72,000	Input info here	Input info here	Input info here	Input info here	Input info here	72,000
8	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
9	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
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
11	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
12	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
13	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
14	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
15	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 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 2023 is adequate.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

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	:	The positions of the Chairman of the Board and the Audit Committee are held by two different persons. Mr Teh Kim Seng is the Chairman of the Audit Committee whereas Mr Hew Voon Foo is the Chairman of the Board for the financial year under review.	
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	:	The policy on observation of a cooling-off period of at least 3 years for a former key audit partner prior to the appointment as an Audit Committee member is updated in the Auditors Policy which has been approved and adopted by the Board on 25 October 2021. Presently, none of the members of the Audit Committee is a former key audit partner.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 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 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 year under review, the AC conducted performance evaluation and independent assessment of External Auditors based on recommended evaluation criteria per 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</p>

	<p>with the External Auditors twice during the financial year under 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, upon which the shareholders' approval was sought at the last Annual General Meeting.</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 Audit Committee comprises three (3) members, all of whom are Independent Non-Executive Directors for the financial year 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	:	<p>All the Audit Committee ("AC") members possess a mix of skills, experience and qualifications ranging from accounts, corporate finance and law in order to discharge their fiduciary duties professionally.</p> <p>One of the AC members, Mr Hew Voon Foo, is a Fellow Member of the Chartered Institute of Management Accountants and the Malaysian Institute of Accountants. All AC members are financially literate and have the necessary skills, financial experience and expertise in discharging their duties effectively.</p> <p>The AC members continue to apprise themselves of development or changes in accounting and auditing standards, practices and rules by attending pertinent courses. They were briefed by the External Auditors on the applicable accounting and auditing standards and relevant accounting requirements under the Companies Act 2016 as and when changes or updates arise.</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 10.1

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 sound system of internal control and risk management. The Company had formed a Risk Management Committee ("RMC") which is headed by Mr Sow Ewe Lee, the Executive Director cum Chief Operating Officer of the Company and the members are Heads of 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 Risk Management Committee. 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 ever-changing business environment. The Group adopts control objectives and procedures from ISO 9001 for its day-to-day operational processes and implements Group's standard operating policies to mitigate business risks and negative outcomes.</p> <p>The ongoing process for identification, evaluation and management of significant risks have been integrated and embedded into the Group operations and is continuously reviewing its adequacy and effectiveness to safeguard shareholders' investment and Group assets.</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 10.2

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 had established a risk management framework that adopts a structured and integrated approach to managing key business risks. This framework together with the system of internal control is designed to manage the Group's risks within its risk appetite rather than to eliminate the risk of failure to achieve the Group's business and corporate objectives.</p> <p>The RMC, Internal Auditors and External Auditors of the Company conduct reviews and audits on a regular basis that involves testing the adequacy and effectiveness of material internal controls on key risks. Based on the audit findings and recommendations presented by the Internal Auditors and External Auditors, the Board, with assistance from the RMC and AC, will review the adequacy and effectiveness of the Company's risk management and internal control systems, including financial, operational, compliance and information technology risks, in order to enhance the Group's internal control.</p> <p>On an annual basis, the Board would have received formal assurance from the Chief Operating Officer and Chief Financial Officer stating 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>The Board is of the view that there were no significant breakdowns or weaknesses in the system of internal controls of the Group that resulted in material losses incurred by the Group and the internal control system in place is effective for the financial year under review. The Group will continue to take the necessary measures to ensure that the system of internal controls is in place and functioning effectively in all material aspects.</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 2023.</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 Audit Committee ("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 2023.</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 Audit Committee (“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• Annual General Meeting 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	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company despatches the Notice of Annual General Meeting (“AGM”) to shareholders at least 28 days before the AGM, well in advance of the 21-day requirement under the Companies Act 2016 and ACE Market Listing Requirements of Bursa Securities. At the last AGM, the notice was dated 28 July 2022 whilst the AGM was held on 29 August 2022.</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>Six out of seven Directors were present virtually at the last AGM and the Extraordinary General Meeting (“EGM”) held on 29 August 2022 due to the fact that such director was required to attend to personal matters which could not be rescheduled. All the Directors were present virtually at the EGM held on 30 January 2023.</p> <p>The Board ensures that the Directors of the Company including the Chairman of the respective Board Committees (for AGM) together with the senior management attend the AGM and EGMs to address the issues raised by the shareholders.</p> <p>The External Auditors (for AGM) and Advisers and Legal Counsel involved in the corporate exercise (for EGMs) were also present virtually at the respective meeting 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 leveraged the technology to facilitate greater shareholders' participation and enhance the proceedings of the general meetings of the Company through remote participation via live streaming and online remote voting for the conduct of poll on the resolutions tabled at the general meetings of the Company.</p> <p>The general meetings proceedings and poll voting were conducted entirely via RPV facilities. The administrative guide with detailed registration and voting procedures was issued to assist the shareholders in participating using the online platform, and the same was also published on the Company's website to encourage shareholders' participation.</p> <p>Shareholders and proxies were briefed on the use of the Query Box facility for the submission of queries in real-time as well as the remote voting process during the general meetings.</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	: The Chairman of the Board is committed to ensuring that shareholders were given the opportunity to raise questions during the AGM and EGMs held on 29 August 2022 and 30 January 2023 respectively. The shareholders were able to participate and interact with the Board actively in the general meetings via live streaming of general meetings proceedings on their devices and to submit their questions via Query Box to the Board of the Company during the general meetings via the RPV facilities. In order to further encourage the participation of the shareholders, questions to be posed to the Board of the Company before the date of general meetings via the RPV facilities were enabled. The Q&A session was kept open allowing shareholders/proxies the opportunity to pose questions in real-time (in the form of typed text) throughout the General Meetings. The Chairman ensured that the relevant questions raised pre-general meetings and during the general meetings for the Company's financial and non-financial were answered during the general meetings and the details of the responses were recorded in the minutes of the general meetings and published to the corporate website within a reasonable time after the general meetings.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application :	Applied
Explanation on application of the practice :	<p>Last year AGM and EGMs 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 and the safety concern of shareholders. 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 (for AGM) and Advisers and Legal Counsels involved in the corporate exercise (for EGMs) 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 AGM and EGMs held on 29 August 2022 and 30 January 2023 respectively were published on the corporate website no later than 30 business days after the general meetings.
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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