

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 0104  
**COMPANY NAME** : GENETEC TECHNOLOGY BERHAD  
**FINANCIAL YEAR** : June 30, 2025

## OUTLINE:

### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

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

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

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

## SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors of the Company ("Board") assumes full responsibility for the overall performance of the Company and its subsidiaries ("Group") by defining its strategic direction and long-term objectives, establishing values and standards, and overseeing the execution of key strategic action plans. The setting and periodic review of the Company's strategy, as well as the Board's assessment of management performance, remain matters reserved for the Board.</p> <p>As part of its duties, the Board ensures that the Group's strategies are supported by adequate resources, including financial, human, technological, and operational, to enable the Company to fulfil its objectives. It also adopts a robust risk management and internal control framework to safeguard the interests of the Group and its stakeholders.</p> <p>During the financial year under review, the Board and its Board Committees conducted the following key activities:</p> <ol style="list-style-type: none"><li>1. Strategic Planning - Deliberated and reviewed the Group's strategic direction twice a year at scheduled Board meetings and approved the annual budget to allocate capital and resources in alignment with strategic priorities.</li><li>2. Financial Oversight – Assessed quarterly results and the annual financial statements prior to announcement to Bursa Malaysia Securities Berhad ("Bursa Securities"), and monitored business performance through both financial and non-financial metrics.</li><li>3. Internal Audit and Risk Management – Considered reports from the independent outsourced internal audit function via the Audit Committee, endorsed recommended corrective actions, and obtained formal assurances from the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") on the adequacy and</li></ol>

	<p>effectiveness of the Group’s risk management and internal controls.</p> <p>4. Remuneration and Talent Management – Through the Remuneration Committee, maintained and regularly reviewed a structured Remuneration Policy for Directors and Senior Management, aligned performance incentives with strategic objectives, and aimed to attract, motivate and retain competent talent.</p> <p>5. Risk Oversight - Through the Audit Committee and Risk Management Committee, reviewed key risks across governance, compliance, strategic, operational and financial domains; evaluated risk likelihood and impact; and ensured remedial measures were adopted for significant risks. (Further detail is provided in the Statement on Risk Management and Internal Control, which is included in the Annual Report 2025.)</p> <p>6. Succession Planning - Oversaw succession planning for Board and Senior Management roles, with the Nomination Committee regularly reviewing the leadership pipeline to ensure continuity.</p> <p>7. Stakeholder Engagement - Prioritised transparent communication through an investor relations programme and a Corporate Disclosure Policy, ensuring timely and accurate dissemination of corporate information. The Company’s website (<a href="http://www.genetec.net">www.genetec.net</a>) hosts key documents and announcements to keep stakeholders informed.</p>	
<p><b>Explanation for departure</b></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><b>Measure</b></p>	<p>:</p>	
<p><b>Timeframe</b></p>	<p>:</p>	

## 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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board is led by Mr Allen Lik-Hook Ting, an Independent Non-Executive Director, who serves as Chairman. The Chairman is entrusted with fostering sound corporate governance practices, providing effective leadership, and ensuring the Board operates with integrity and efficiency.</p> <p>As delineated in the Board Charter, the Chairman's principal roles include:</p> <ul style="list-style-type: none"><li>(a) leading the Board in setting the values and ethical standards of the Company;</li><li>(b) ensuring that quality information to facilitate decision-making is delivered to Board members on a timely basis;</li><li>(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;</li><li>(d) facilitating the effective contribution of Non-Executive Directors and ensuring constructive relations are maintained between Executive and Non-Executive Directors;</li><li>(e) facilitating the regular evaluation of the performance of the Board, Board Committees and individual Directors;</li><li>(f) ensuring the financial management practices are performed at a high level of integrity and business dealings are carried out ethically in compliance with the laws and regulations;</li><li>(g) leading the Board in establishing and monitoring good corporate governance practices in the Group.</li></ul> <p>The Chairman also maintains a collaborative working relationship with the CEO (previously designated as Managing Director), providing guidance and support while ensuring a clear distinction of their respective roles.</p> <p>Together with the Board, the Chairman leads an annual review of the Company's compliance with the corporate governance practices in accordance with the Malaysian Code on Corporate Governance ("MCCG") and, where deviations are identified, ensures that reasons are recorded and alternative measures adopted to meet the intended governance outcomes.</p>

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

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board Chairman, Mr Allen Lik-Hook Ting, and the CEO, Mr Chin Kem Weng, occupy distinct positions, each with separate and defined responsibilities as enshrined in the Company's Board Charter.</p> <p>This structural separation highlights a clear differentiation of duties, ensuring an appropriate balance of power, heightened accountability, and an enhanced capacity for the Board to make independent decisions.</p> <p>The Chairman provides leadership in governance, Board oversight, ethical guidance, and strategic direction, while the CEO is responsible for managing the Group's day-to-day operations and implementing the policies, strategies, and decisions approved by the Board.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	Mr Allen Lik-Hook Ting, as Chairman of the Board, does not serve on the Audit Committee ("AC"), Nomination Committee ("NC") or Remuneration Committee ("RC").
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is supported by an in-house, suitably qualified company secretary in compliance with 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 key responsibilities of the company secretary include:</p> <ul style="list-style-type: none"><li>• Board Administration – Organising Board and Board Committees meetings, attending all sessions, and preparing accurate minutes so that deliberations and decisions are properly documented and communicated for follow-up action.</li><li>• Governance &amp; Compliance Advice – Guiding the Board on its duties, corporate disclosure obligations, and compliance with the Main Market Listing Requirements of Bursa Securities (“MMLR”), the Companies Act 2016 (“the Act”), and other applicable regulations.</li><li>• Regulatory Liaison – Acting as the official liaison with the CCM by preparing and submitting statutory filings promptly in accordance with the Act.</li><li>• Continuous Development – Staying abreast of regulatory changes and best practices through regular conferences and training, thereby meeting the continuous professional development requirements of both CCM and MAICSA.</li></ul> <p>All Directors have direct and unrestricted access to the advice and services of the company secretary, enabling them to discharge their fiduciary duties effectively.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>An annual meeting calendar setting out the scheduled dates of Board Meetings, Board Committees Meetings, and the Annual General Meeting ("AGM") is circulated to all Directors at the start of each calendar year. Directors and Principal Officer(s) are also notified of closed periods for securities dealings based on the anticipated announcement dates of the Company's quarterly results.</p> <p>Prior to each meeting, the company secretary, in consultation with the respective Chairpersons and management, finalises the agenda. Notices of meetings are issued to Directors and invitees seven (7) days in advance, except in the case of special meetings convened to address urgent matters. Management is advised simultaneously of both the agenda and the deadline for submitting agenda papers.</p> <p>To facilitate informed deliberation, meeting materials and relevant documents are provided to all Directors typically seven (7) days before the meeting. This ensures that Directors have sufficient time to review the agenda papers and seek clarification where necessary.</p> <p>Draft minutes, once confirmed for accuracy by management, are circulated to the Board and its Board Committees within a reasonable period after each meeting. The minutes record, in a clear, accurate and timely manner, the Board's deliberations, key rationales for decisions, any significant concerns raised, and any dissenting views or abstentions. The minutes are formally approved or noted at the subsequent meeting.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board Charter outlines the core values of the Company, the duties and responsibilities of Directors (including the specific roles of the Chairman, CEO and Executive Directors. It also defines the functions of the Board Committees, each governed by terms of reference approved by the Board, and outlines the responsibilities of the company secretary, in line with principles of good governance and the policy documents and guidelines issued by the relevant regulatory authorities.</p> <p>The Board Charter serves as an authoritative reference for both the Board and management by identifying matters specifically reserved for the Board’s decision, such as strategy and business planning, financial stewardship and internal controls, human capital matters, compliance obligations, and other key assurance activities.</p> <p>The Board Charter is made available on the corporate website. It is reviewed and updated periodically, or as required, to ensure continued relevance and effectiveness in light of evolving regulatory requirements, market practices, and the Company’s business environment.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises that strong leadership and stewardship are essential to fostering an ethical corporate culture. To support this commitment, the Group has formalised and adopted two distinct sets of the Code of Ethics and Code of Conduct, which provide clear guidance on the standards of integrity and professional behaviour expected of all Directors and employees.</p> <p><b>Code of Ethics</b></p> <p>The Board maintains 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 standards of ethics and corporate governance.</p> <p>The Directors are required to notify the Company promptly of any actual or potential conflicts of interest that may affect them in their role as Directors of the Company, as outlined in the Code of Ethics, which is reviewed by the Board periodically.</p> <p><b>Code of Conduct</b></p> <p>The Company's Code of Conduct governs the professional conduct of its employees and outlines its responsibilities to the Group in carrying out their duties. The various policies and guidelines outlined in the Code of Conduct specify the standards and ethics that all Directors and employees are expected to adhere to in the course of their work. The Code of Conduct is designed to maintain discipline and order in the workplace among employees at all levels.</p> <p>Both the Code of Ethics and the Code of Conduct are available on the corporate website and are to be observed by all Directors and employees of the Group.</p>

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

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has established a Whistleblowing Policy, incorporated into both the Employees' Handbook and the Board Charter, to provide a clear and confidential mechanism for raising genuine concerns about suspected or known misconduct. The policy safeguards whistle-blowers from retaliation and sets out a structured process for reporting.</p> <p>Directors and employees may report, in good faith, any misconduct or criminal offence through the Company's internal channel. Such misconduct includes, but is not limited to:</p> <ul style="list-style-type: none"> <li>i. Fraud;</li> <li>ii. Corruption, bribery or blackmail;</li> <li>iii. Abuse of Power;</li> <li>iv. Conflict of Interest;</li> <li>v. Theft or embezzlement;</li> <li>vi. Misuse of Company's Property;</li> <li>vii. Non-Compliance with Procedure.</li> </ul> <p>The AC oversees the implementation of the policy. Reports may be submitted via email or a written report directly to the Chairperson of the AC, ensuring confidentiality and independent review.</p> <p>The Whistleblowing Policy is reviewed periodically and updated where necessary to ensure its continued relevance and effectiveness.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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### 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.

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

	For further information on the Group’s sustainability practices and initiatives, please refer to the Sustainability Statement in the Annual Report 2025. This section provides a comprehensive overview of the Group’s commitment to sustainability and its impact on long-term success.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board, through the management and the Sustainability Committee, ensures the internal communication of the Group’s sustainability strategies, priorities, and targets, along with regular updates on performance against these targets. This is crucial, as the successful implementation of the company’s sustainability initiatives relies on the active participation and commitment of everyone within the organisation. For external stakeholders, the Group communicates its sustainability requirements through policies published on our website.</p> <p>Suppliers are also required to review, understand, accept and comply with the Group’s Supplier Code of Conduct. In addition, the Group conducts stakeholder engagement sessions from time to time to gather feedback and ensure that its sustainability strategies remain aligned with stakeholder expectations. The Group’s sustainability activities, targets and performance are detailed in the Sustainability Statement within the Annual Report, demonstrating the Group’s commitment to transparency and accountability in its sustainability efforts.</p> <p>For comprehensive details on the Group’s sustainability efforts, including performance metrics and future goals, stakeholders can refer to the Sustainability Statement in the Annual Report 2025.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board understands the importance of continuous training for its members, ensuring they are well-informed about evolving regulatory requirements and their implications for the Group. This commitment also extends to keeping the Board updated on the latest industry trends and sustainability issues, particularly those related to climate change and sustainable business practices.</p> <p>The Board, through the Nomination Committee, assesses the training programmes for the Directors annually to ensure that they keep abreast with the relevant developments in the business environment as well as the relevant regulatory requirements.</p> <p>To address the growing importance of sustainability, the Board actively seeks out training opportunities related to sustainability issues pertinent to the Company’s operations. In April 2025, all Board members attended a dedicated sustainability training session conducted by an external sustainability consultant, which included updates on the National Sustainability Reporting Framework (NSRF) and its reporting requirements. This proactive approach is designed to equip Board members with the knowledge needed to navigate sustainability challenges effectively. The Sustainability Committee is also tasked to stay informed of sustainability trends and best practices, present recommendations to the Board and contribute towards the development and review of sustainability policies, strategies and initiatives.</p> <p>The Board remains vigilant in tracking industry developments, enabling it to make informed strategic decisions that align with market dynamics and stakeholder interests.</p>
<b>Explanation for departure</b>	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	

<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board understands that sustainability performance of the Company/ Group shall be tied to performance evaluation of the Board and Senior Management, to promote accountability and a more objective evaluation of the Company/ Group's performance as a whole. In October 2024, the Board has approved to integrate sustainability performance indicators into the performance evaluation of both the Board and Senior Management.</p> <p>The annual evaluation of Directors includes specific considerations related to sustainability, with performance assessed against the achievement of sustainability targets set for the financial year. These targets span governance, environmental and social dimensions, and their relative weightage vary from year to year depending on the Group's priorities. This approach ensures that sustainability performance is objectively integrated into the Board's and Senior Management's overall evaluation, reinforcing accountability and alignment with the Company's long-term goals.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.*

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

## Intended Outcome

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

### Practice 5.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>NC is entrusted with ensuring that the composition of the Board is refreshed periodically, in alignment with the Group's strategic direction, maintaining the optimal balance in Board size, diversity of skills and experience, core competencies, and the appropriate proportion of Executive and Non-Executive Directors (including Independent Directors).</p> <p>On an annual basis, the NC undertakes a structured review of each director's tenure and carries out a performance review to ensure that the Board and the Board Committees as a whole have been fulfilling their roles and responsibilities effectively. The independent Directors is also reviewed annually, with reference to their ongoing independence of character and judgement and whether any relationships or circumstances might compromise such independence.</p> <p>For Directors retiring by rotation and eligible for re-election, the Board, through the NC, will assess the retiring Directors with reference to the performance review and declaration in accordance with the Directors' Fit and Proper Policy. Where the evaluation yields a positive outcome, the Board supports the NC's recommendation for the re-election of retiring Directors at the upcoming AGM.</p> <p>The Company adheres to the requirements of the MMLR on the limitation of Independent Directors to twelve (12) years. In addition, the Board has adopted the MCCG's recommendation to achieve at least 30% women directors.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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### Intended Outcome

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

### Practice 5.2

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board currently consists of six (6) members, comprising two (2) Executive Directors and four (4) Independent Non-Executive Directors. Independent Directors, therefore, make up two-thirds of the Board.</p> <p>The Company remains fully compliant with the MMLR requirement, which stipulates that the Board must comprise at least two Independent Directors or one-third of its members, whichever is higher. Maintaining a clear majority of Independent Directors strengthens the Board's ability to deliberate objectively and independently, ensuring that diverse perspectives inform strategic and oversight decisions.</p> <p>The Board is committed to fostering a culture of open and inclusive discussion. All Directors are encouraged to contribute fully, enabling a broad range of views to be considered and supporting decisions that serve the best interests of the Company and its stakeholders.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

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

**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.*

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is composed of individuals with diverse professional backgrounds, skills, experience, and perspectives, enabling more informed and balanced decision-making and enhancing responsiveness to evolving challenges.</p> <p>The NC is entrusted with establishing a formal, rigorous and transparent process for the appointment and assessment of Directors and members of Board Committees. The Board is committed to ensuring fair and equal treatment for all candidates for Board and senior management positions, regardless of gender, ethnicity, or age. All appointments and reappointments are made on the basis of merit and objective criteria, with careful consideration given to diversity in skills, experience, age, cultural background, and gender.</p> <p>A documented “Procedures for Selection and Appointment of New Directors” provides guidance for evaluating candidates for the Board and senior management. In parallel, the Board has adopted a “Directors’ Fit and Proper Policy,” which is applied at the point of appointment and at regular intervals thereafter, to assess the integrity, competence, commitment, and suitability of directors.</p> <p>In selecting candidates, the Board takes into account their prospective time commitment and any existing board roles (especially in other listed or non-listed entities) to ensure they can effectively discharge their duties. Any candidate whose appointment may cast doubt on integrity, governance, or the Board’s objectivity will be further scrutinised or excluded.</p>
<b>Explanation for departure</b>	:	

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

<b>Measure</b> :		
<b>Timeframe</b> :		

## 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.

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

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges that the appointment and re-election of Directors is pivotal to effective corporate governance, as they shape the Company's leadership and strategic direction. Accordingly, it is essential that shareholders receive full and meaningful disclosure to enable informed voting decisions.</p> <p>For retiring Directors recommended for re-election at the upcoming AGM, the Board, through the NC, conducted a thorough assessment, including evaluations of performance and conformity with the Company's Fit &amp; Proper criteria.</p> <p>To empower shareholders' evaluation, the Annual Report includes detailed profiles of the Directors, disclosing their age, gender, professional qualifications, career history, directorships in other companies, interests in the Company (if any), and potential or actual conflicts of interest within the Group. These disclosures include any interest, position or relationship that might reasonably be perceived to influence materially their ability to exercise independent judgement or act in the best interests of the Company.</p> <p>Additionally, the Board has provided a statement to support the re-election of the retiring Directors, which is included in the explanatory note accompanying the notice of the AGM.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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**Intended Outcome**

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

**Practice 5.8**

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

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

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	Currently, the Board has two (2) female Directors out of six (6) Directors, representing 33.33% women's representation on the Board.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

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

## 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>	
<b>Application</b>	: Departure
<b>Explanation on application of the practice</b>	:
<b>Explanation for departure</b>	: <p>The NC has a formal assessment mechanism in place to assess the Board, its Board Committees and individual Directors using a structured questionnaire and peer/self-assessment approach facilitated by the company secretary.</p> <p>The Board had, through the NC, undertaken the following internal annual evaluation 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 composition, mix of skills, experience, and core competencies, decision-making process, Boardroom activities, interaction, and communication with management and other stakeholders, as well as the effectiveness of the Chairman. Board Committees are assessed in terms of accountability and responsibility, as well as their success in achieving their objectives.</p> <p>(ii) Self-assessment on the contribution and performance of each individual Director</p> <p>The individual director (via self and peer assessment) is assessed based on the criteria of calibre and personality, experience, integrity, and competence that each person can commit to discharging their role as a director effectively.</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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board, through the RC, has established a Remuneration Framework for Board and Remuneration Policy for Directors and Senior Management which is available on the Company's website. The RC reviews the policy and procedures periodically and recommends any revisions to the Board to ensure they remain relevant and aligned with market practices.</p> <p>The RC is responsible for reviewing, assessing, and recommending remuneration packages for the Executive Directors, taking into consideration individual performance, seniority, experience, scope of responsibilities, and alignment with the Group's strategic objectives and overall performance. Where appropriate, external benchmarking is used to ensure the packages remain competitive and fair.</p> <p>The remuneration for Executive Directors is structured to reward both Group performance and individual contributions, while the remuneration of Non-Executive Directors is determined with reference to their experience, the level of responsibilities assumed, and comparisons with peer companies. Non-Executive Directors' remuneration does not include variable or performance-based incentives that may impair their objectivity.</p> <p>Executive Directors abstain from participating in all deliberations or decisions relating to their own remuneration. Likewise, individual Non-Executive Directors abstain from discussions or voting on matters concerning their own fees. The remuneration of Non-Executive Directors is determined by the Board as a whole.</p> <p>The remuneration of Senior Management, as determined by the CEO under the same Remuneration Policy, takes into account the role's complexity, performance, experience, and market benchmarks. The RC</p>

	and the Board retain oversight to ensure that Senior Management remuneration remains aligned with the approved policy, market expectations and the Group's long-term objectives.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The RC of the Company comprises three (3) members, all of whom are Independent Non-Executive Directors.</p> <p>The RC was formed to assist the Board in establishing and reviewing remuneration policies and packages for Directors and senior management, ensuring they are competitive, fair, and structured to attract, retain, and motivate talent.</p> <p>The RC operates under clearly defined TOR, which outline its duties, responsibilities, and authority, and are accessible on the Company’s corporate website.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	Details of the Board's remuneration of the Company and the Group on a named basis for the financial year ended 30 June 2025 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	-	-	822,134	3,816,800	27,996	-	4,666,930	-	-	822,134	3,816,800	27,996	-	4,666,930
2	Sow Ewe Lee	Executive Director	-	-	506,949	1,128,716	23,952	2,536,049	4,195,666	-	-	506,949	1,128,716	23,952	2,536,049	4,195,666
3	Allen Lik-Hook Ting	Independent Director	144,000	-	-	-	-	-	144,000	144,000	-	-	-	-	Input info here	144,000
4	Ong Phoe Be	Independent Director	120,000	-	-	-	-	-	120,000	120,000	-	-	-	-	Input info here	120,000
5	Dato' Jeeventhiran a/l Ramanaidu	Independent Director	72,000	-	-	-	-	-	72,000	72,000	-	-	-	-	Input info here	72,000
6	Ong Siew Min	Independent Director	72,000	-	-	-	-	-	72,000	72,000	-	-	-	-	Input info here	72,000
7	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
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.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>The RC and the Board are of the view that it is not to the Company's advantage or best interest to disclose the senior management personnel names and the various remuneration components in detail, considering the highly competitive market for senior management personnel with the requisite knowledge, technical expertise and working experience in the industry in which the Company operates. Accordingly, such disclosure of specific remuneration information may give rise to recruitment and talent retention issues.</p> <p>As an alternative, the RC 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 2025, is adequate.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	The Board believes that the disclosure of Senior Management's remuneration in bands of RM50,000 is adequate. The Board will continue to review and consider the adoption of best practices from time to time in the interest of the Group.	
<b>Timeframe</b>	:	Others	ongoing

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.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The roles of the Chairperson of the Board and the AC are held by two different individuals. This separation of roles allows the Board to independently and objectively review the AC's findings and recommendations.</p> <p>For the financial year under review, Mr Allen Lik-Hook Ting serves as the Chairman of the Board, while Ms Ong Phoe Be serves as the Chairperson of the AC.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Company’s Auditors Policy sets out guidelines for the appointment and oversight of External Auditors. The policy incorporates the requirement that any former key audit partner must observe a cooling-off period of at least three (3) years before being eligible for appointment to the AC.</p> <p>For the financial year under review, none of the AC members are former key audit partners, ensuring compliance with the policy and reinforcing the independence, objectivity, and effectiveness of the audit process.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has established the Auditors' Policy to provide guidelines, procedures, and annual assessment criteria for the AC to assess and monitor the performance of both external and internal auditors. The policies outline the procedures for evaluating the suitability, objectivity, and independence of the external auditors.</p> <p>The AC is empowered by the Board to review all matters relating to the annual reappointment of External Auditors. During the financial year under review, the AC conducted a performance evaluation of External Auditors using a survey questionnaire based on the evaluation criteria recommended in the Corporate Governance Guide issued by Bursa Securities. The evaluation covered:</p> <ul style="list-style-type: none"><li>• Calibre of External Auditors;</li><li>• Quality processes/ performance;</li><li>• Audit team</li><li>• Independence and objectivity;</li><li>• Audit scope and planning;</li><li>• Audit fee; and</li><li>• Audit communications.</li></ul> <p>The answers of the evaluation were collated, summarised, and deliberated in the AC meeting.</p> <p>The External Auditors have confirmed to the AC that they have continuously complied with the relevant ethical requirements regarding their independence throughout the audit engagement, in accordance with the professional and regulatory standards. They are precluded from providing any services that could compromise their independence or conflict with their role as External Auditors.</p> <p>The AC also assessed the professionalism, openness, and independence of the External Auditors through the interaction in private discussions. During the financial year under review, the AC met with the External Auditors twice in the absence of the Executive Directors and management team, reinforcing independent oversight.</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, the AC is of the opinion that the External Auditors are suitable and able to deliver the assurance engagement professionally and diligently with a sufficient level of independence and recommended their reappointment for shareholders' approval to the Board for endorsement. The Board has endorsed the AC's recommendation for the reappointment of the External Auditors at the forthcoming AGM.</p>	
<p><b>Explanation for departure</b></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><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

**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.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The AC comprises three (3) members, all of whom are Independent Non-Executive Directors.

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>All members of the AC possess a broad mix of skills, experience, and qualifications, including expertise in accounting, corporate finance, and business, that enables them to discharge their fiduciary duties effectively.</p> <p>All AC members are financially literate and collectively equipped with the knowledge and experience necessary to analyse financial statements and reporting issues competently. One notable member, Ms Ong Siew Min, is a fellow member of the Malaysian Institute of Accountants.</p> <p>Additionally, the AC receives regular briefings from the External Auditors on updates to applicable accounting and auditing standards, as well as other relevant regulatory developments, ensuring that their financial literacy and technical knowledge remain current.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges its overall responsibility for maintaining a robust system of internal control and risk management. To support this function, the Company has established a Risk Management Committee ("RMC").</p> <p>During the financial year under review, the RMC was restructured, and its composition is as follows:</p> <ul style="list-style-type: none"><li>• Mr Sow Ewe Lee (Executive Director cum Deputy Chief Executive Officer) - Chairman</li><li>• Ms Ong Phoe Be (Independent Non-Executive Director) - Member</li><li>• Ms Ong Siew Min (Independent Non-Executive Director) - Member</li></ul> <p>The Board has also adopted a revised Risk Management Framework that outlines the Group's risk management policy, including definitions of risks and controls, the reporting structure, and the TOR for the RMC.</p> <p>The Group refers to the ISO 31000 Risk Management Standard as a guideline for identifying, evaluating, managing and monitoring significant risks to ensure that its risk management processes remain aligned with the evolving business environment.</p> <p>In addition, the Company applies control objectives and procedures from ISO 9001 and ISO 14001 for its day-to-day operations and implements standard operating policies designed to mitigate business risks and adverse outcomes.</p> <p>The Group's risk management process is integrated into the operations and subject to continuous review for adequacy and effectiveness, with the aim of safeguarding shareholders' investments and the Group's assets.</p>
<b>Explanation for departure</b>	:	

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

<b>Measure</b> :		
<b>Timeframe</b> :		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has established a comprehensive Risk Management Framework that adopts a structured and integrated approach to addressing key business risks. This framework, together with the internal control system, is designed to manage risks within the Group's defined risk appetite, rather than attempting to eliminate the risk of failure in achieving the Group's business and corporate objectives.</p> <p>The RMC, together with the Internal Auditors, conducts regular reviews and audits to assess the adequacy and effectiveness of material internal controls related to key risks. Based on the findings and recommendations presented by the Internal Auditors, the Board, with support from the RMC and AC, reviews the adequacy and effectiveness of the Group's risk management and internal control systems across various financial, operational, compliance and information technology domains, with the objective of continuously enhancing internal controls.</p> <p>The Board received assurances from the CEO and CFO, confirming that the Group's risk management and internal control systems have operated adequately and effectively in all material aspects for the financial year under review.</p> <p>On the basis of this assurance, the Board is of the opinion that, thus far, the existing risk management framework and internal controls systems are effective in monitoring and mitigating the Group's current risks to acceptable levels, thereby safeguarding the interests of shareholders, customers, employees and other stakeholders as well as the Group's assets. The Board remains committed to continually reviewing and updating the framework and related policies to address emerging and evolving risks.</p> <p>The key features of the Group's risk management and internal control systems are set out in the Statement on Risk Management and Internal Control in the Annual Report 2025.</p>
<b>Explanation for departure</b>	:	

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

**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.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The RMC comprises three (3) members, of whom two (2) are Independent Non-Executive Directors, providing an appropriate balance of independence and executive oversight.

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group's internal audit function has been outsourced to CGRM Infocomm Sdn Bhd, an independent professional firm, to conduct systematic reviews of the governance, risk management and internal control systems within the Group in accordance with a risk-based internal audit plan approved by the AC.</p> <p>The Internal Auditors work closely with management in carrying out audit activities and present their reports directly to the AC, ensuring independence and objectivity. Their reports cover key risks of auditable areas, the control and monitoring measures implemented and recommendations for improvement, where necessary. For the financial year under review, no material issues or significant deficiencies posing a high risk to the overall system of internal control.</p> <p>Management is responsible for implementing all agreed action plans within the stipulated timelines, while the Internal Auditors perform follow-up reviews and provide progress reports to the AC.</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 that the function was adequately staffed and competent to discharge its duties effectively.</p> <p>Further details of the internal audit function and its activities are set out in the Audit Committee Report of the Annual Report 2025.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The outsourced internal audit function is headed by Ms Jasmine Lee, who is a Certified Internal Auditor, Certified Risk Management Assurance and Chartered Member of the Institute of Internal Auditors, Inc. She has more than 25 years of internal audit experience, serving various sizes and types of organisations.</p> <p>Depending on the scope of each assignment, as outlined in the risk-based internal audit plan approved by the AC, a team of two to three audit personnel is deployed. All team members hold at least a bachelor's degree.</p> <p>The internal audit practices are aligned and/or guided by the International Professional Practices Framework® comprising the Global Internal Audit Standards, Topical Requirements and Global Guidance of the Institute of Internal Auditors, Inc., as well as the Internal Control – Integrated Framework developed by COSO.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges the importance of timely, accurate, and equal dissemination of material information to shareholders, stakeholders, and the investing public. To this end, the Board has adopted a Shareholders' Communication Policy and Corporate Disclosure Policy that apply to all Directors and Officers. These policies set out the principles and procedures for handling and disclosing corporate information in accordance with the requirements of Bursa Securities and other applicable regulations.</p> <p>As part of the Group's commitment towards having effective communication with the stakeholders, the following channels have been established:</p> <ul style="list-style-type: none"><li>• Corporate Website – A dedicated investor-relations section at <a href="http://www.genetec.net">www.genetec.net</a> provides up-to-date information on corporate developments, including announcements, financial results, annual reports, and other material disclosures.</li><li>• Bursa Malaysia Announcements – All material information relating to business activities, corporate exercises and financial performance is promptly released to Bursa Securities and linked on the Company's website.</li><li>• Designated Contact – Contact details of designated investor-relations personnel are published on the website to allow shareholders and stakeholders to submit queries or concerns directly.</li><li>• AGM – Serves as the principal forum for direct dialogue between shareholders, the Board and senior management. Shareholders are encouraged to participate, seek clarification and provide feedback actively.</li><li>• Media &amp; Analyst Briefings – Conducted following the release of quarterly results or in conjunction with significant corporate exercises, when appropriate.</li></ul>
<b>Explanation for departure</b>	:	

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



### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company despatches the Notice of AGM to shareholders at least 28 days before the AGM, well in advance of the 21-day requirement under the Companies Act 2016 and MMLR. At the last AGM, the notice was issued on 28 October 2024, while the AGM was held on 26 November 2024.</p> <p>The additional times given to shareholders allow them to review the agenda and resolutions to be tabled, as well as make the necessary arrangements to attend and participate in person or through a proxy, corporate representative, or attorney.</p> <p>The Notice of AGM is accompanied by detailed explanatory notes for every proposed resolution, enabling shareholders to make well-informed decisions when exercising their voting rights.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>All Directors including the Chairpersons of the respective Board Committees present virtually in the General Meetings held during the financial year under review.</p> <p>Shareholders were invited to submit online questions through the remote participation and voting (“RPV”) facilities, and the Directors provided meaningful responses to the questions raised by the shareholders.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Company has effectively utilised technology to enhance shareholder participation and voting at its General Meetings through RPV facilities.</p> <p>All General Meetings were conducted entirely through RPV facilities during the financial year, enabling shareholders to attend, participate, and cast their votes on all resolutions electronically, including voting in absentia.</p> <p>An administrative guide detailing the registration, login, and electronic voting procedures was circulated with the Notice of Meetings and published on the Company’s website to help shareholders navigate the online platform and encourage active participation.</p> <p>During the meetings, shareholders and proxies were briefed on the use of the Query Box for real-time submission of questions and on the remote voting process. This approach fosters transparency and inclusivity, ensuring that all shareholders can engage meaningfully in the Company’s decision-making process.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## 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>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>The Chairman of the Board is dedicated to facilitating shareholders engagement during general meetings.</p> <p>The General Meetings were conducted entirely online during the financial year under review. In advance of the meetings, the Company issued the Annual Report and circulars along with administrative notes, which provided guidance on participating in the virtual meetings.</p> <p>Shareholders were able to submit questions via the Query Box on the RPV platform from the date of the notice of meeting until the meeting day and to interact with the Board in real time through the live-streamed proceedings.</p> <p>The Chairman ensured that shareholders were given sufficient opportunity to raise questions, both before and during the meetings. All relevant inquiries were addressed during the sessions. The Company subsequently recorded the questions and responses in the minutes of the meetings, which were published on the corporate website within a reasonable timeframe, enabling all shareholders to review the discussions.</p>
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  



### 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>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>The Company's General Meetings held in the financial year under review were conducted fully virtual via live streaming and RPV facilities, supported by robust infrastructure to ensure a seamless broadcast and secure, real-time polling.</p> <p>Shareholders were provided with an administrative guide ahead of the meeting to facilitate registration, participation and electronic voting. The platform enabled shareholders to submit questions in advance and during the meeting, and relevant queries were visible to participants and addressed live by the Chairman, CEO or General Manager.</p> <p>All Board members and senior management attended virtually, enabling direct and interactive engagement with shareholders. The questions and responses were subsequently documented in the meeting minutes and published on the Company's website.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

**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>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The minutes of the General Meetings, which incorporated the questions raised by shareholders, the Company's responses, and the detailed poll voting results, were uploaded to the Company's website within thirty (30) business days of the meetings, making them readily accessible to all shareholders.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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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