

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0040
COMPANY NAME : OPENSYS (M) BERHAD
FINANCIAL YEAR : December 31, 2024

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the key role it plays in charting the strategic direction of the Company and has assumed the following principal responsibilities in discharging its fiduciary and leadership functions: -</p> <ul style="list-style-type: none">• reviewing and adopting a strategic plan for the Company, addressing the sustainability of the Group's business;• overseeing the conduct of the Group's business and evaluating whether or not its businesses are being properly managed;• identify principal business risks faced by the Group and ensuring the implementation of appropriate internal controls and mitigating measures to address such risks;• ensuring that all candidates appointed to senior management positions are of sufficient calibre, including the orderly succession of senior management personnel;• overseeing the development and implementation of a shareholder communications policy, including an investor relations programme for the Company; and• reviewing the adequacy and integrity of the Group's internal control and management information systems. <p>To assist in the discharge of its stewardship role, the Board has established Board Committees, namely the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee, to examine specific issues within their respective terms of reference as approved by the Board and report to the Board with their recommendations. The ultimate responsibility for decision making, however, lies with the Board.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board is led by the Executive Chairman, Mr. Tan Kee Chung who was appointed as Chairman on 1 January 2022.</p> <p>The Chairman is responsible for leadership of the Board in ensuring the effectiveness of all aspects of his role. Decisions of the Board are made collectively during Board meetings. In order to ensure that meetings are properly facilitated, and the Board properly led, the Chairman plays a crucial and pivotal leadership role in ensuring that the Board works effectively. Additionally, the Chairman of the Board is usually the presiding Chairman during General Meetings of the Company.</p> <p>The Chairman of the Board endeavours to create an environment which promotes constructive deliberations leading to effective contributions by each Board member during Board meetings.</p> <p>The Chairman is responsible for the following: -</p> <ul style="list-style-type: none">• Provide leadership and run the Board effectively with the assistance of the Board Committees and management;• Ensure the whole Board plays a full and constructive part in developing and determining the Group's strategy and overall business and commercial objectives;• Ensure the Board annually reviews its performance and its balance so as to achieve its effectiveness;• Chairing of general meetings and Board meetings; and• Promote the highest standards of integrity, probity and corporate governance in the Group.	
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 and CEO positions are held by separate individuals. Mr. Tan Kee Chung is the Executive Chairman and Mr. Eric Lim Swee Keah was the CEO of the Company in 2024 and early 2025. On 1 March 2025, Luke Sebastian was appointed as CEO of the Company.</p> <p>Their roles are separate and there is a clear division of responsibilities to distinguish between the provision of leadership to the Board and the executive responsibility for running the Company's business.</p> <p>The respective duties and responsibilities of the Chairman and the CEO are contained in the Board Charter. The Board Charter is available on the Company's website at www.myopensys.com.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
Application	:	Applied
Explanation on application of the practice	:	The Chairman of the Board, Mr. Tan Kee Chung is presently not a member of any Board Committees including the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied	
Explanation on application of the practice	:	<p>Ms. Lim Seck Wah and Ms. Kong Mei Kee are the Company Secretaries of the Company. Both Company Secretaries are suitably qualified, experienced, competent, knowledgeable and are members of The Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA").</p> <p>The Company Secretaries are responsible for ensuring that the Board procedures are followed and the applicable rules and regulations for the conduct of the affairs of the Board are complied with. The Company Secretaries are also responsible for the secretarial functions such as compliance with all statutory and regulatory requirements, providing corporate advisory to the Board, unbiased minutes of all meetings proceedings and proper maintenance of secretarial records.</p> <p>The Company Secretaries regularly update the Board on updates of statutes and directives issued by the regulatory authorities and keep the Board informed of their responsibilities. The Company Secretaries regularly attend trainings to keep themselves abreast with developments regarding corporate and securities laws, listing rules and corporate governance practices and issues.</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>The notices of meetings and meeting materials are sent to the Directors at least 5 days in advance before the meeting. This provides the Board with sufficient time to review the meeting papers, seek any clarification and consultation that they may need from the Management, Company Secretaries or independent advisers before the meeting, if necessary, and to raise relevant issues during the meeting.</p> <p>All proceedings of the meetings including issues raised, deliberations and decisions of the Board are duly recorded. The minutes of meetings are circulated upon conclusion of the meetings in a timely manner.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board Charter sets out the role, responsibilities and composition of the Board of the Company. It outlines the policies that the Board has decided upon to discharge its responsibilities, including good governance and leadership.</p> <p>This is to ensure that all Board members are aware of their fiduciary duties and responsibilities, various legislations and regulations affecting their conduct, the need for safeguarding the interests of the shareholders, and other stakeholders and that highest standard of corporate governance are applied in all their dealings in respect and on behalf of the Company.</p> <p>The Board Charter is reviewed periodically incorporating updates and enhancements, and continues to be relevant to the existing rules and regulations as well as standards of corporate governance. It was last reviewed on 24 February 2025.</p> <p>The Board Charter is available on the Company's website at www.myopensys.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has formulated the Code of Conduct and Ethics to enhance the standard of corporate governance and behaviour with a view to achieve the following objectives: -</p> <ul style="list-style-type: none">• to establish standard of ethical conduct for Directors based on acceptable belief and values that one upholds.• to uphold the spirit of social responsibility and accountability of the Company in line with the legislations, regulations and guidelines governing it. <p>The Code of Conduct and Ethics is available on the Company's website at www.myopensys.com.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has formalised the Whistleblowing Policy, which provides an avenue for employees and stakeholders to report genuine concerns about unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements without fear of reprisal should they act in good faith when reporting such concerns.</p> <p>The Whistleblowing Policy sets out the principles and procedures for employees or stakeholders to raise genuine concerns of possible improprieties perpetrated within the Company.</p> <p>The Board together with the Management reviews the Whistleblowing Policy periodically or as and when the need arises to ensure it is updated and current.</p> <p>The Whistleblowing Policy is available on the Company’s website at www.myopensys.com.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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 and Senior Management place high importance sustainability to support long-term sustainable value creation and returns for the Company. The Group believes that gaining a strong understanding of materiality and taking the necessary steps to address risks and opportunities from the evolving operating landscape are crucial for the Company's long-term viability.</p> <p>Sustainability encompasses how the Company builds a conducive corporate culture, ensure equal and fair opportunities, nurture the entrepreneurial spirit, advance business efficiency and competitiveness, and contribute towards the conservation of the environment where the Company operates in.</p> <p>During the year in review, the Company's Environmental, Social and Governance ("ESG") initiatives include: -</p> <ul style="list-style-type: none">• Contribution to the UOB Heartbeat Run 2024, an annual charity initiative that raised funds to support underprivileged communities by providing them with better education, healthcare, and welfare. <p>Further details of the initiative can be found in the Sustainability Statement in the Annual Report 2024.</p> <p>The review and strategic management of the Company's sustainability material matters are carried out periodically by the Management and are communicated to the Board.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 4.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board believes that engagement, consultation, and seeking regular feedback are key steps in driving sustainability at the Company. During the financial year, stakeholder engagements were carried out on an ongoing basis throughout the year via formal and informal channels, to communicate the Company's sustainability strategy and priorities with valuable and relevant feedback channelled to the Management for internal review and discussion.</p> <p>The Board is committed to draw on the views, opinions and insights from its stakeholders, which helps the Board and Management make informed decisions for the Company's sustainability priorities and business objectives.</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 is mindful of the importance for its members to undergo continuous training to be apprised on changes to regulatory requirements and the impact such regulatory requirements have on the Group and to ensure they stay abreast with the latest developments in the industry as well as the sustainability issues relevant to the Group, including factors that are driving climate change and achieving a sustainable business model.</p> <p>Further details of the trainings attended by the Board can be found in the Corporate Governance Overview Statement in the Annual Report 2024.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	<p>During the annual Board Evaluation, the Board reviewed its performance in areas including the evaluation of the Group's strategic and business plans which promote sustainability.</p> <p>The Board and Management collectively address the Company's material matters and its inherent risks and opportunities, while at the same time addressing it through appropriate mitigating measures, to ensure the Company continues to generate returns for its shareholders.</p> <p>The Board and Senior Management have carried out a number of measures to address the Company's sustainability risks inherent to current issues/developments that influence market dynamics, the evolving regulatory space, the economic landscape, and issues deemed important to the Company's stakeholders. These include ongoing discussions on risk assessment, a review of the material matters and its associated sustainability risks, as well as deliberations on the appropriate responses/actions to maximise returns for its stakeholders. The Management updates the Board on the outcome of these measures during committee and Board deliberations for their strategic direction and guidance.</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 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Company has designated Mr. Chee Hong Soon, as the Group Chief Sustainability Officer. As a key Senior Leadership personnel, the Group Chief Sustainability Officer has been tasked to lead the Company in the following areas:-</p> <ul style="list-style-type: none">• Identify, evaluate and manage environmental impacts arising from business operations; and• Identify, address and improve the workforce environment and social well-being of the employee. <p>There is a Sustainability team which comprised of key representatives from various business divisions to support the Company on sustainability matters.</p>

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Nomination Committee ensures the Board composition has the right mix of skill, knowledge, experience, expertise, independence and diversity to facilitate effective and efficient function of the Board's performance. On an annual basis, the Nomination Committee reviews the tenure of each Director and carries out a performance review to ensure that the Board as a whole and the Board Committees have been effective and fulfilling its roles and responsibilities.</p> <p>In addition, the independence of all Non-Executive Directors is reviewed annually, with reference to their independence of character and judgement and whether any circumstances or relationships exist which could affect their judgement.</p> <p>The Directors who are due to retire by rotation and eligible for re-election at the upcoming Annual General Meeting ("AGM") have been assessed by the Nomination Committee and the Board with reference to the Directors' Fit and Proper Policy. Arising from a satisfactory outcome of the evaluation and consideration, the Board recommends and supports the re-election of the retiring Directors at the coming 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

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

Practice 5.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board currently consists of 6 members, comprising 3 Executive Directors and 3 Independent Non-Executive Directors which means half of the board comprises of Independent Directors.</p> <p>The Company complies with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad which require at least two independent directors or one-third of the Board, whichever is greater, to be appointed.</p> <p>The Board acknowledges that having half of the board comprising Independent Directors would support objective and independent deliberation, review and decision-making.</p> <p>The presence of half of the Board comprising Independent Directors, the Board's efforts in ensuring that all deliberations in the boardroom are carried out in an objective manner, with the voice of all Directors whether independent or otherwise being given due consideration.</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	:	As of 1 January 2025, the Company does not have any independent directors with tenure exceeding a cumulative term limit of nine years.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 - Step Up

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

<i>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.</i>	
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 acknowledges the importance of diversity in terms of skills, experience, age, gender, cultural background and ethnicity and recognises the benefits of diversity at leadership and employee level.</p> <p>The Board is of the view that the suitability of a candidate is dependent on the candidate's competency, skills, experience, expertise, attitude, time commitment, integrity and other qualities in meeting the needs of the Company.</p> <p>The Company gives equal opportunity to all Board members and its staff regardless of the gender and ethnicity.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Nomination Committee is primarily responsible for sourcing and recommending the right candidate to the Board, taking into consideration the Board structure, size, composition and the required mix of expertise and experience which the Director should bring to the Board. The Nomination Committee will rely on varied sources from recommendations from existing Board members, Management or major shareholders as well as independent sources.</p> <p>The final decision on the appointment of a candidate recommended by the Nomination Committee rests with the whole Board. The Board is entitled to the services of the Company Secretary who would ensure that the process and procedure on appointments are properly observed and adhered to the Malaysian Code on Corporate Governance and Main Market Listing Requirements of Bursa Malaysia Securities Berhad.</p>	
Explanation for departure	:		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is cognisant that the appointment and re-election of Directors is a critical aspect of corporate governance, which has an impact on the leadership of companies. As such, it is important that shareholders have the information they require to make an informed decision on these appointments or re-election of Directors.</p> <p>Based on the results of the Board Effectiveness Evaluation conducted for financial year ended 31 December 2024 with reference to the Directors' Fit and Proper Policy, the performance of each of the retiring Directors was found to be satisfactory. The Board endorsed the Nomination Committee's recommendation on the re-election of the retiring Directors.</p> <p>The profiles of the Directors seeking for re-election are set out in the Profile of Board of Directors section of the Annual Report 2024 whereas their interests in the securities of the Company as at 28 March 2025 are set out in the Analysis of Shareholdings section of the Annual Report 2024.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The Nomination Committee is chaired by Puan Hajjah Norizan Binti Yahya, who was appointed on 1 January 2024 and is an Independent Non-Executive Director of the Company.	
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

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	<p>Currently, there are 3 female Directors acting as Board members of the Company, representing 50% female representation in the Board.</p> <p>The three (3) women Directors provide the Board with gender diversity that serves to bring value to Board discussions from the different perspectives and approaches of the women Directors.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

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>The Board acknowledges the importance of gender diversity and recognise the multitude of benefits that it can bring. It is the aim of Board to have an appropriate level of diversity in the Boardroom to reflect the diverse nature of the Company’s operations and support the achievement of its strategic objectives.</p> <p>At the Board-level specifically, the Nomination Committee considers diversity generally when making appointments to the Board, taking into account relevant skills, experience, knowledge, personality, ethnicity and gender. The primary objective however, is to select the best candidate who can propel the Company forward.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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	:	During the financial year, the Nomination Committee has assessed the balance composition of Board members based on merits, Directors' contribution and Board effectiveness. The Nomination Committee concluded that each Board member is competent and committed in discharging his/her duty and responsibility. Non-Executive Directors are independent in rendering their opinion and decision. All assessments and evaluations carried out by the Nomination Committee were properly documented.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.1

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Presently, the Company does not have a formal remuneration policies and procedures for Directors and Senior Management.	
	:	The Board will compare the remuneration of its Board and its senior management staff with those public companies of similar identity and of its size as a general guideline.	
<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.	
	:		

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>A Remuneration Committee has been established by the Board, comprising all the 3 Independent Non-Executive Directors.</p> <p>The Remuneration Committee has been entrusted by the Board to determine that the levels of remuneration are sufficient to attract and retain Directors of quality required to manage the business of the Group.</p> <p>The Remuneration Committee's Terms of Reference is available on the Company's website at www.myopensys.com.</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	:	<p>Departure</p> <p>The remuneration for Executive Directors is balanced between fixed and performance-linked elements. The fixed components include salary and ordinary contractual entitlements. The performance-linked component includes a discretionary bonus payment taking into consideration the Group and individual performance and never of a percentage of the Group's revenue.</p> <p>The remuneration for the Non-Executive Directors is determined by the Board as a whole, based on a fixed fee.</p> <p>Directors' fees are disclosed in the Annual Report and approved by the shareholders at the AGM.</p> <p>The Directors' remuneration for the financial year ended 31 December 2024 with breakdown into fees, salaries and bonus, benefits in-kind and meeting allowance are disclosed in aggregate amounts for Executive and Non-Executive Directors in the Corporate Governance Overview Statement of the Annual Report 2024.</p> <p>The Board believes that such disclosure on an unnamed basis would be sufficient to provide pertinent insights to shareholders on whether the Directors are being remunerated responsibly and fairly and shareholders are able to assess whether the remuneration commensurate with the Directors performance.</p>

[illegible]

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	:	<p>The Board is of the view that it is inappropriate to disclose the remuneration of the Senior Management and such details to be sensitive and proprietary given the competitive human resources market as such disclosure may give rise to recruitment and talent retention issues.</p> <p>The Board ensures that the remuneration of Senior Management is commensurate with the performance of the Company, with due consideration to attracting, retaining and motivating Senior Management to lead and run the Company successfully.</p> <p>Please provide an alternative practice and explain how the alternative practice meets the intended outcome.</p>	
<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.	

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					
			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

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 Audit and Risk Management Committee is chaired by Datin Lee Choi Chew, who is not the Chairman of the Board. The Chairman of the Board is Mr. Tan Kee Chung who is not a member of the Audit and Risk Management Committee.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit and Risk Management Committee comprises 3 members, all of whom are Independent Non-Executive Directors.</p> <p>At present, none of the Audit and Risk Management Committee members is a former key audit partners of the Company's external auditors.</p> <p>The Audit and Risk Management Committee has a policy that governs the appointment of a former key audit partner to the Audit and Risk Management Committee which includes a former key audit partner to observe a cooling-off period of at least 3 years before he or she can be considered for appointment as an Audit and Risk Management Committee member. The said policy has been incorporated in the term of reference of the Audit and Risk Management Committee, a copy of which is available on the Company's 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

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>To ensure that the external auditors' independence is not impaired, the Audit Engagement Partner in charge of the Company is rotated every 7 years. Internally, the external auditors conduct an Independent Partner Engagement quality control review in order to preserve their independence and integrity. The external auditors had also provided written assurance to the Audit and Risk Management Committee they had been independent throughout the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</p> <p>The Audit and Risk Management Committee reviews the performance of the external auditors annually based on the following criteria: -</p> <ul style="list-style-type: none"> • quality of engagement team; • quality of interaction and communication; and • independence, objectivity and professionalism.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The Audit and Risk Management Committee comprises 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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The members of the Audit and Risk Management Committee collectively have the necessary skills related to information technology, accounting, insurance, takaful, legal and business to meet their responsibilities and to discharge their duties.</p> <p>Throughout the year, all Directors regularly received updates and briefings from the external and internal auditors on Financial Reporting developments, Malaysian Financial Reporting Standards and other changes in regulatory environment.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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 Group has established an Enterprise Risk Management (ERM) Framework to create, protect, and enhance stakeholder value by managing the uncertainties that could influence the Group from achieving its business objectives.</p> <p>The key objectives of the ERM are: -</p> <p>Oversight : All critical risks have been identified and are being managed and monitored under a holistic approach consistent with the Board approved risk appetite statement.</p> <p>Ownership & Responsibility : The ownership of risk is assigned to management individuals who are responsible for identifying, evaluating, mitigating and reporting risk exposures.</p> <p>Assurance : The Board and Management have reasonable assurance that risk is being appropriately managed within defined levels to protect and bring value to the organization.</p> <p>The internal control mechanisms established by the Board and Management are embedded within the organisation structure in its processes. The internal control system is independently reviewed by the outsourced internal audit firm to assess its adequacy and effectiveness.</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 Enterprise Risk Management is the framework applied by the Board, Management and other key personnel to identify potential events that may affect the Group; manage the associated risks and opportunities and provide reasonable assurance that our Group's objectives will be achieved.</p> <p>The Enterprise Risk Management Framework aims to:-</p> <ul style="list-style-type: none">• integrate enterprise risk management within the organization's operations management cycle;• communicate the benefits of risk management;• convey the organization's policy, approach and attitude to risk management;• set the scope and application of risk management within the organization;• establish the roles and responsibilities for managing risk;• set out a consistent approach for managing risks across the organization, aligned with relevant standards and industry best practice;• detail the process for escalating and reporting risks;• convey the organization's commitment to the periodic review and verification of the Framework and its continual improvement;• ensure appropriate resources are available to assist those with accountability or responsibility for managing risks; and• ensure the organization meets its risk reporting obligations. <p>The ERM framework comprises the following areas:-</p> <ul style="list-style-type: none">• Guiding Principles• Risk Categorisation• Risk Identification, Analysis And Evaluation• Risk Treatment• Risk Impact and Possibility• Risk Response• Monitoring And Review• Reporting

	<p>The key elements of the Group's internal control system include the following: -</p> <ul style="list-style-type: none"> • Giving authority to the Board's committee members to investigate and report on any areas of improvement; • Performing in-depth study on major variances and deliberating irregularities in the board meetings and Audit and Risk Management Committee meetings so as to identify the causes of the problems and formulate solutions to resolve them; • Arranging regular interactive meetings to identify and rectify any weaknesses in the system of internal control. They would also be informed on the matters brought up in the Audit and Risk Management Committee meetings on a timely basis; • Delegating necessary authority to the Chief Executive Officer in order for him to play a major role as the link between the Board and Management in implementing the Board's expectation of effective system of internal control; • Keeping the Management informed on the development of the action plan for enhancing system of internal control allowing various management personnel to have access to important information for better decision making; and • Monitoring key commercial, operational and financial risks through reviewing the system of internal control and operational structures. 	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.3 - 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 Company outsourced its internal audit division to a third-party professional firm to assist the Audit and Risk Management Committee in discharging their responsibilities and duties. The role of the internal audit functions is to undertake independent regular and systematic reviews of the system of internal controls so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively. The outsourced internal audit function is independent of the activities and operations of the Group.</p> <p>During the financial year under review, the internal auditors reviewed and audited the following areas: -</p> <ul style="list-style-type: none">i. Human Resources and Payroll Managementii. Employee Claims Processing and Controliii. Property, Plant and Equipment Managementiv. Follow-up review on Manufacturing and Assemblyv. Follow-up review on Cash and Bank Managementvi. Follow-up review on Account Receivablesvii. Follow-up review on Management Control System <p>There were no significant issues in the internal control system during the period under review.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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 of the Group is outsourced to an independent professional firm, whose work is performed with impartially, proficiency and due professional care, and in accordance with the International Professional Practices Framework of the Institute of Internal Auditors, Incorporated, which sets out professional standards on internal audit.</p> <p>Internal Auditors report directly to the Audit and Risk Management Committee. Further details on the internal audit function can be seen in the Audit and Risk Management Committee Report and the Statement on Risk Management and Internal Control in the Annual Report 2024.</p> <p>All the internal audit personnel providing this outsourced service are free from any relationships or conflicts of interest.</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 Company maintains a corporate website, www.myopensys.com to disseminate information and enhance its investor relations. All timely disclosure, material information and announcements made to Bursa Malaysia Securities Berhad are published on the website after the same are released by the Company.</p> <p>The AGM, which is the principal forum for shareholder dialogue, allows shareholders to review the Group's performance via the Company's Annual Report and pose questions to the Board for clarification. At the AGM, shareholders participate in deliberating resolutions being proposed or on the Group's operations in general. At the last AGM, a question-and-answer session was held where the Chairman invited shareholders to raise questions with responses from 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

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	:		
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
<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.	

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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board recognises the AGM as an invaluable platform for shareholders to engage the Board in a productive dialogue and provide constructive feedback that contributes to the overall performance of the Company. The Board therefore endeavours to provide shareholders with adequate time to consider the resolutions that will be discussed and decided upon during the AGM and to facilitate informed decision-making by the shareholders.	
		The Company has complied by giving shareholders over 21 days' notice prior to the meeting.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
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>All Directors attended the OpenSys’s 28th Annual General Meeting (“28th AGM”) held on 20 May 2024 as well as the past AGMs to foster effective two-way communication between the shareholders and the Board. Shareholders were thus accorded the opportunities to pose questions directly to them.</p> <p>Unless unforeseen circumstances arise, all Directors will attend the upcoming AGM to allow shareholders to address their questions and concerns directly.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate—

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

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	In 2024, the Company did not conduct any virtual general meeting. The Board believes that a physical general meeting fosters more robust discussions with transparent and direct engagement between shareholders and management, as well as providing a platform for shareholders to directly question and interact with company directors.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>		
Application	:	Applied
Explanation on application of the practice	:	<p>The Company's 28th AGM were attended by all members of the Board, the Company Secretary and several members of the Senior Management Team. The Chairman ensures that the general meetings provide the important opportunity for effective communication with the shareholders and provide an avenue for constructive feedback from the shareholders. The Chairman ensures that shareholders have the opportunity to participate in the Meetings effectively.</p> <p>During the 28th AGM, presentations and questions and answers session on the performance and the business operations were made by the respective CEO of the Company and the subsidiaries. This provided the shareholders with a better understanding of the Company and all queries from the shareholders were addressed.</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 13.5

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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	In 2024, the Company did not conduct any virtual general meeting. The Board believes that a physical general meeting fosters more robust discussions with transparent and direct engagement between shareholders and management, as well as providing a platform for shareholders to directly question and interact with company directors.
	:	
<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	:	Minutes of the 28th AGM were prepared and published on the Company's corporate website together with the responses to questions raised by shareholders no later than 30 business days after the 28th AGM.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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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