

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 0208  
**COMPANY NAME** : Greatech Technology Berhad  
**FINANCIAL YEAR** : December 31, 2021

## OUTLINE:

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

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

### **SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The primary responsibility of the Board is to provide effective leadership to ensure good corporate governance, setting the Group's strategic objectives, values and standards, and ensure necessary resources is in place to achieve the long-term sustainable success of the Company for the benefit of stakeholders. The Board, supported by other Board Committees, operates within a robust framework of risk management and effective internal controls at all times.</p> <p>The functions of the Board and the Management are clearly defined to ensure the effectiveness of the Group's business and operations. The Board provides leadership and direction to the operations of the Group while the Management is accountable for the execution of policies and meeting corporate objectives.</p> <p>As in previous year, the Board reviews business and financial performance, worked closely with the Management in the shared strategic aims to secure the Group's leading market positions in the long term to benefit from growing end markets. The Board monitors the culture of the Company to ensure that it is aligned to the Group's values and strategy. The Board received regular updates from the Chief Executive Officer ("CEO"), Chief Operating Officer ("COO"), the Chief Financial Officer ("CFO") in the Board meeting in respect of all material business matters to the Group with regard to strategy, planning, business development, risk management, governance and employees' engagement approach in supporting the Group's culture.</p> <p>The Board relies on the reports provided by the Group CEO who oversees the entire business and operations of the Group in setting the Company's strategic aims. At each Board meeting, and as and when the need arises, the CEO will brief the Directors on the current operations, challenges, market opportunities and plans of the Group in order for the Board to be kept abreast on the conduct, business activities and development of the Company, and to discuss and advise</p>

the Management in its formulation of the Company's business strategies, both short-term and long-term. Discussions would include the deployment of resources efficiently and effectively in achieving the objectives to be met. In making its decisions, the Board would be guided by the Company's values and standards.

The Board is accountable to the shareholders and it is ultimately responsible for the Group adherence to sound corporate governance practices and highest standard of ethics. The Board believes that sound governance is essential to the success of the Group. The robust Group Governance Framework continues to drive the highest level of business standards and best practices. The Board assess and monitor culture and ensures it align with the Group's values and strategy. The Board leads by example, act in a constructive and respectful manner demonstrating the values that the Group expect across the companies.

The Board sets the Group strategy and overseeing its execution, reviewing business performance, formulating policy on key issues and bringing long-term benefits to the shareholders. The Board is made up of a combination of Executive Directors who are involved in strategic formulation and implementation and Independent Non-Executive Directors ("**INEDs**") who are involved in decision evaluation and approval.

The Executive Directors together with the Key Senior Management team are responsible for develops strategy, monitors progress against the Group's strategic objectives, reviews day-to-day operations and business performance. In addition, informal management groups have been established to review, monitor and take decisions in respect of collaborative partnerships, risk management and environmental, social and governance ("**ESG**") matters. The Group's strong performance throughout the COVID-19 crisis demonstrated its financial strength, market leaderships and commitment in sustaining the global supply chain in automation.

The INEDs are persons of calibre and credibility with the ability to exercise independent judgment. Their roles are to constructively challenge Management and monitor the success of Management in delivering the approved targets and business plans within the risk appetite set by the Board. They have free and open contact with Management at all levels, and they engage with the external and internal auditors to address matters concerning Management and oversight of the Company's business and operations. The INEDs provide independent and unbiased view, advice and judgement to ensure a balanced and unbiased decision-making process to safeguard the long-term interests of all stakeholders and the community.

To ensure effective discharge of its duties, powers and authority and, facilitates effective decision making, the Board has established 3 Board Committees as follow with effect from admission to the Bursa Malaysia

	<p>Securities Berhad (“<b>Bursa Securities</b>”), each with delegated responsibilities and duties:</p> <ul style="list-style-type: none"> <li>• Audit and Risk Management Committee (“<b>ARMC</b>”)</li> <li>• Remuneration Committee (“<b>RC</b>”)</li> <li>• Nominating Committee (“<b>NC</b>”)</li> </ul> <p>These Committees oversee the broad strategic areas within the Group such as audit and finance, risk, remuneration, sustainability and ethics, Board renewals and related matters. Each of the committee operates under clearly defined Terms of Reference (“<b>TOR</b>”) setting out its duties, authority and reporting responsibilities, to oversee and deliberate matters within their purview. The TOR are reviewed on a regular basis by each Committee to ensure they remain appropriate, approved by the Board and made available on the Company’s <a href="#">website</a>. The Chairman and members of each Committee are nominated by the Board. The Chairman of each Committee reports to the Board on the outcome of the Committee’s meetings and resolutions, which would also include the key issues deliberates at the Committee’s meetings. In addition to the principal Board Committees, the Board has established 3 topic-specific Committees to which it has delegated certain powers to review and administer matters – Sustainability Working Group (“<b>SWG</b>”), Long Term Incentive Plans (“<b>LTIP</b>”) Committee and Enterprise Risk Management (“<b>ERM</b>”) Committee.</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

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>As Chairman of the Board, Ms. Ooi Hooi Kiang ("<b>Ms. Ooi</b>") assumes a leadership role on the Board. Ms. Ooi was appointed as Independent Non-Executive Chairman of the Board on 20 August 2018.</p> <p>As can be seen from her profile set out on Profile of Directors section of the Annual Report 2021, Ms. Ooi has vast experience in a wide range of industries such as auditing, brokerage institutions, property development, mining and manufacturing, including cross border working experience encompassing finance operations, accounting, financial management, corporate finance, tax planning and merger &amp; acquisition. Her years of experience has enabled her to provide valuable guidance to the other members of the Board to work constructively with Management to formulate strategies as well as address business operations, financial performance and risk management issue.</p> <p>Ms. Ooi is a strong believer of good corporate governance. She works hand-in-hand with our Group CEO, Dato' Tan Eng Kee ("<b>Dato' Tan</b>"), to set the tone from the top and guides Management in establishing and monitoring good corporate governance practices within the Group.</p> <p>She chairs the meetings of the Board and the shareholders, and thus ensuring effective, transparent and regular communication with the shareholders as well as the relevant stakeholders. Under her leadership, the Board is fully aware of the importance of governance and will continue delivering sustainable performance and instilling best corporate governance practices in building a sustainable business.</p> <p>The roles and responsibilities of the Chairman of the Board have been clearly specified in Paragraph 4.7 of the Board Charter, which is available on the Company's <a href="#">website</a>.</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 1.3

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 position of the Chairman and the CEO are held by separate individual who are not related to each other, to ensure a good balance of power and authority, such that no one individual has unfettered powers in decision making.</p> <p>The distinct and separate roles and responsibilities of the Chairman and CEO as set out in the Board Charter of the Company.</p> <p>The position of the Chairman is held by Ms. Ooi and the position of CEO is held by Dato' Tan. Dato' Tan was appointed to the Board on 14 May 2018.</p> <p>As the Board Chairman, Ms. Ooi led the Board to ensure the effectiveness of the Board. Meanwhile, the CEO, Dato' Tan assumes executive responsibility is focusing on the business, organisational effectiveness and day-to-day management of the Group, and actively reports, clarifies and communicates matters to the Board. The CEO also act as a link between the Independent Directors and the Management to align management actions to Board decisions and strategies.</p> <p>For better safeguard the interest of our stakeholders, the Board is balanced by a majority of INEDs on the Board to foster greater objectivity in the Boardroom.</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 1.4

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>	: Departure
<b>Explanation on application of the practice</b>	:
<b>Explanation for departure</b>	: <ul style="list-style-type: none"> <li>The Company has a moderate sized Board comprising of only 3 Independent Directors.</li> <li>The Chairman of the Board, Ms. Ooi assumes the position of Chairman of the RC and member of ARMC. All the Board Committee of the Company comprises exclusively INEDs.</li> </ul>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	: <p>The Company believe that, given the diverse skills and competencies of the individual directors, especially Independent Directors, who are appointed to form a competent and strong Board, the Chairman's participation at the committee level should be determined by her ability to contribute and participate, as much as the need for objectivity.</p> <p>The Chairman of the Board, Ms. Ooi is financially literate and have business as well as financial acumen. Her experience and industry knowledge benefit the Company and shareholders, which outweigh any perceived disadvantage of being assuming positions of Chairman of the Board, and a member of the Board Committee. The Company believe that the Board's objectivity in receiving or assessing committees' reports has not been diminished in any way.</p> <p>However, in acknowledgement of the spirit of this Practice 1.4, the Company is looking for suitable candidate to join the Company as an INED and to sit in the Board Committees in order for Ms. Ooi to step down from the Board Committees.</p>
<b>Timeframe</b>	: By 2023



## 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 2 suitably qualified and experienced Company Secretaries, namely Ms. Yeow Sze Min and Ms. Low Seow Wei, in discharging its duties and responsibilities.</p> <p>Both the Company Secretaries are qualified Chartered Secretaries as per Section 235(2)(a) of the Companies Act 2016 registered with the Companies Commission of Malaysia ("<b>CCM</b>"). Ms. Yeow is a Fellow while Ms. Low is an Associate member of the Malaysian Association of the Institute of Chartered Secretaries and Administrators ("<b>MAICSA</b>").</p> <p>The Company Secretaries support the Board and the relevant Board Committees to ensure their effective functioning in accordance with their TOR and best practices, and in managing the corporate governance framework of the Company. The Company Secretaries are also responsible to advise the Directors on their fiduciary and statutory duties, as well as corporate disclosures and compliances with the Companies Act 2016, the Company's Constitution, the Bursa Securities Main Market Listing Requirements ("<b>MMLR</b>"), the Malaysian Code on Corporate Governance ("<b>MCCG</b>"), adopted policies, and other pertinent regulations governing the Company, including guiding the Board towards the necessary compliances.</p> <p>The Company Secretaries are also acting as the official liaison party for the Company to prepare and submit statutory documents to the CCM. They will ensure that any change in the Company's statutory information will be notified to the CCM in the relevant prescribed forms in a timely manner.</p> <p>The Company Secretaries ensure that all Board and Board Committee meetings are properly convened, and all deliberations and decisions are properly minuted and kept.</p> <p>During the financial year ended 31 December 2021 ("<b>FY2021</b>"), the Company Secretaries together with the Board, review and adopt the Corporate Governance Framework of the Company to ensure that it fits for the purpose and operates effectively. The Company Secretaries also update the Board on the Directors' Resolutions in Writing passed, Directors' dealings pursuant to Chapter 14 of the MMLR, announcements made to Bursa Securities and circulars or</p>

	<p>correspondences from Bursa Securities, at every scheduled Board meeting during the year, as well as the changes in the regulatory requirements.</p> <p>One of the Joint Company Secretary attended the Third Annual General Meeting (“AGM”) held on 21 May 2021 (“3<sup>rd</sup> AGM”) and all Board and Board committee meetings during the FY2021. The Company Secretaries ensured that all deliberations at the AGM and all Board and Board committee meetings are well minuted for the Board’s reference and for action plans to be communicated to the Management to work on and to report back to the Board. During the 3<sup>rd</sup> AGM, the Company Secretaries coordinated with the Management and Share Registrar or Poll Administrator to manage the processes of the meeting and ensured orderly proceedings, including the conduct of the poll taken on all resolutions tabled at the 3<sup>rd</sup> AGM.</p> <p>The Company Secretaries would send a letter to the Board and affected persons on closed period dealing and process and procedure to aid them in complying with the MMLR.</p> <p>The Company Secretaries had and will continue to constantly keep themselves abreast on matters concerning company law, the capital market, corporate governance, and other pertinent matters, and with changes in the regulatory environment, through continuous training and industry updates. They have also attended relevant continuous professional development programmes as required by MAICSA for practicing Chartered Secretaries.</p> <p>The Board has direct access to the professional advice and services of the Company Secretaries.</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 1.6

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>The Board meets at least, quarterly, to consider all matters relating to the overall control, business performance and strategy of the Group. Additional meeting will be called when and if necessary. Due to the impact of COVID-19 pandemic and as safety and travelling restriction measures, the vast majority of Board meetings in FY2021 were held virtually using Microsoft Teams.</p> <p>Dates of Board and Board Committees' meeting are determined well in advance to facilitate Directors' time planning. In FY2021, total 4 Board meetings were held with full attendance from the Board.</p> <p>All Board and Board Committee meetings during the financial year followed an approved agenda. Board members are provided with pre-circulated Board papers and related materials, or explanatory information analysing all relevant aspects and recommended course of action for each item on the agenda prior to respective meetings to enable them to make informed decisions.</p> <p>The notice of the Board meetings is sent to the Directors at least seven (7) days in advance of Board meetings with the appropriate information to enable sufficient time for the Directors to prepare for the meetings and to facilitate informed decision making.</p> <p>At each quarterly Board meeting, Key Principal Officers which comprises of CEO, COO and CFO will provide the quarterly reports on the Group's performance and financial results and address queries from the Directors. Other Management personnel may be invited to attend Board meetings to provide the Board detailed explanations and clarifications on certain matters that are tabled to the Board. To keep the Board members abreast of the Group's business, Directors are also updated by the Group CEO of any significant developments or events relating to the Group. This included updates on business plan, safety and health, strategy, sustainability, leadership succession and incentives programs, technology, risk, legal and financial matters. There is sufficient time allocated for discussion by the Board, allowing the Directors to discharge their duties effectively. The Board also has unrestricted access to Management and other external advisers enabling it to explore specific issues in more detail; and entitled to</p>

	<p>request for additional information and received presentations by the Management and external advisers, as and when required.</p> <p>The Board is also regularly updated and kept informed by the Company Secretaries and the Management on corporate disclosures and compliance with company and securities regulations and listing requirements such as restriction in dealing with the securities of the Company and updates on the latest developments in legislations and regulatory framework affecting the Group issued by the various regulatory authorities.</p> <p>The Company Secretaries are responsible for the proper maintenance of the records of Board and Board Committees meetings and record of discussions on key deliberations and decisions taken. Minutes of the meeting are circulated to the members of the Board and Board Committees, and the Management for review and comments in a timely manner. The draft minutes will then be tabled at the following meeting for confirmation.</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 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 is guided by a Board Charter which clearly defines the respective roles and responsibilities of the Board, Board Committees, individual Directors and Management as well as matters reserved for the Board. It served as a primary reference and induction literature in providing the Board members and Management insights into the functions, governance and conduct of the Board.</p> <p>The core areas of the Board Charter are as follows:</p> <ul style="list-style-type: none"><li>(a) Company vision, mission and guidance for the Board</li><li>(b) Board governance process and procedures</li><li>(c) Board and Management relationship</li><li>(d) Board and Shareholders relationship</li><li>(e) Stakeholders' relationship</li><li>(f) Code of Conduct &amp; Ethics</li><li>(g) Whistleblowing</li></ul> <p>The Board has adopted a Board Charter which sets out its primary responsibilities as follows:</p> <ul style="list-style-type: none"><li>• To review and adopt a strategic plan for the Company, and ensure that the Company's strategic plan supports long-term value creation and includes strategies on economic, environment, social and governance considerations underpinning sustainability;</li><li>• To establish policies for strengthening the performance of the Group including ensuring that Management is proactively seeking to build the Business through innovation, initiative, technology, new products and the development of its business capital;</li><li>• To identify principal risks, set the risk appetite within which the Board expects the Management to operate and ensure the implementation of appropriate systems to manage the significant financial and non-financial risks and ensure there is a sound framework for internal controls and risk management;</li></ul>

	<ul style="list-style-type: none"> <li>• To ensure that senior management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of board and senior management;</li> <li>• To oversee the development and implementation of an investor relations policy for the Group;</li> <li>• To review the adequacy and the integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, directives, guidelines, rules and regulations;</li> <li>• To provide assurance to the stakeholders that the Company is in compliance with its policies, and other applicable regulatory requirements, and put in effort to improve on its corruption risk management framework, internal control system, review and monitoring as well as training and communication;</li> <li>• To direct and periodically review an anti-corruption compliance programme which includes clear policies and objectives that adequately addresses corruption risk.</li> <li>• To review the development and dissemination of internal and external trainings relevant to its anti-corruption management system, covering areas such as policy, training, reporting channel and consequences of non-compliance;</li> <li>• To approve the Whistleblowing Policy and Procedure to encourage reporting of any legitimate concerns over wrongdoing at the Group on unlawful conduct, financial malpractice or dangers to the public or the environment within as well as any suspected and/ or real corrupted incidents;</li> <li>• To review and/or acknowledge on the investigation outcome of whistleblowing cases involving all employees, Management and Directors;</li> <li>• To decide on necessary steps to protect the Company's financial position and the ability to meet its debts and other obligations when they fall due, and ensure that such steps are taken;</li> <li>• To ensure that the Company's financial statements are true and fair and conform with any applicable laws and/or regulations;</li> <li>• To ensure that the Company adheres to high standards of ethics and corporate behaviour which include managing conflicts of interest, preventing the abuse of power, fraud, bribery and corruption, insider trading and money laundering;</li> <li>• To promote good corporate governance culture within the Company which reinforces ethical, prudent and professional behaviour;</li> <li>• To review, challenge and decide on the Management's proposals for the Company, and monitor its implementation by the Management;</li> <li>• To supervise and assess Management performance to determine whether the business is being properly managed; and</li> <li>• To ensure that the Company has in place procedures to enable effective communication with the stakeholders.</li> </ul> <p>The Board Charter is kept under continuous reviewed and updated to ensure it remain consistent with the Board's objectives and kept up-to-</p>
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	<p>date with changes in regulations and governance practices. On 1 November 2021, the Board revised its Board Charter to incorporate the Anti-Bribery and Anti-Corruption (“<b>ABC</b>”) Framework pursuant to the ABC policy adopted by the Group, which was intended to strengthen the integrity and governance of the Group.</p> <p>The Board Charter is available on the Company’s <a href="#">website</a>.</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

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 is responsible for creating and fostering a culture aimed at long term value creation for the Group and all of its stakeholders. Directors and employees are committed to observe good corporate governance in business practices in maintaining integrity in the marketplace, workplace, the Group and communities.</p> <p>Accordingly, the Group has adopted a Code of Conduct &amp; Ethics (“<b>the Code</b>”), formally approved by the Board, to articulate acceptable practices, which guides the behaviour of directors, management and employees. The Board, the Management, and other employees and stakeholders are clear on what is considered acceptable behaviour and practice in the Company through the Code, which are integrated into company-wide management practices.</p> <p>The Board together with the Management, had ensured the implementation of the Code and procedures in which include managing conflicts of interest, and preventing the abuse of power, corruption, insider trading, money laundering and forced or child labour.</p> <p>There are numerous more specific Company policies which supports and feed into the Code, relating to compliance with legislation, financial matters, conflict of interest, modern slavery, employment practices, corruption and other matters. Company policies are hosted in a policy portal on the Company intranet and web site and are communicated to new staff on entering employment.</p> <p>As part of the Group's commitment in upholding high ethical standards, the Code is extended to third parties through the Greatech's Supplier Code of Conduct &amp; Ethics (“<b>Supplier Code</b>”). The Code is communicated internally and externally and the importance of ethical behaviour is emphasised in all of the Group's engagements. Mechanisms are in place to report instances of fraud, theft, corruption, unethical behaviour and irregularities. The Management is responsible for the implementation and execution of the Group's Code and ongoing oversight of the</p>



	<p>management of ethics. The Management will report breaches to the ARMC and to the Board.</p> <p>The Company has since 2019 implemented a comprehensive ABC Framework to regulate inappropriate behaviour, such as acts of corruption and adopted an ABC Policy. In line with the amendment of the Malaysian Anti-Corruption Commission Act (“<b>MACC Act</b>”), which is the new Section 17A on corporate liability for corruption, the Company has revised its ABC Policy on 29 May 2020.</p> <p>The ABC Policy is distributed and disseminated to all Company’s employees and is available on the Company’s intranet portal. Each employee of the Group is required to confirm that they are familiarise themselves with the regulations and activities in this area. The Company’s Business Partner Anti-Corruption Policy sets forth the Company’s expectations with respect to all suppliers. It prohibits any form of bribery, “kickbacks”, or any other improper payment (of cash or anything of value) to a third party to obtain an unfair or improper advantage.</p> <p>Other than the Code, the Group has adopted Insider Trading Policy as well as other policies and procedures aiming at appropriately monitoring and prevention of corruption.</p> <p>In FY2021, no substantiated reports of bribery and corruption were reported to the Company. In addition, internal audit activities did not identify bribery or corruption problems or issues.</p> <p>The employees of the Group, including the Directors, whose job responsibilities may give rise to conflict of interest are required to complete and submit an annual conflict of interest declaration to the Group’s Human Resource and Administration (“<b>HRA</b>”) Department. In addition, Directors are expected to notify the Company Secretaries of any actual or potential conflicts as soon as they arise so the Board can consider them at the next available opportunity. In the Board’s view, this procedure operated effectively during the financial year under review.</p> <p>During FY2021, there was no known non-compliance with the Code by the Directors and employees.</p> <p>The Code and ABC Policy are available on the Company’s <a href="#">website</a> in line with Practice 3.1 of the MCCG and will be reviewed and updated from time to time, or at least once every 3 years by the Board to ensure that it continues to remain relevant and appropriate.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>

*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

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 Board recognises that any genuine commitment to detecting and preventing actual or suspected unethical, unlawful, illegal, wrongful or other improper conduct must include a mechanism whereby employees and other stakeholders can report their concerns freely without fear of reprisal or intimidation.</p> <p>In line with this commitment, the Board has formalised a Whistleblowing Policy for the Group. The Whistleblowing Policy which has had in place since 2019, provides a mechanism for parties (such as staffs, business associates and members of the public) to channel their complaints or to provide information on fraud, wrongdoings or non-compliance to any rule or procedure by employees or Management of the Company. The Whistleblowing Policy outline when, how and to whom a concern may be properly raised, distinguishes a concern from a personal grievance and allows the whistleblower the opportunity to raise a concern outside their management line and in confidence. The identity of the whistleblower is kept confidential and protection is accorded to the whistleblower against any form of reprisal or retribution.</p> <p>On 29 May 2020, the Board through its ARMC reviewed and approved the amendments to the Whistleblowing Policy to reflect the changes required to align with the ABC Policy of the Group.</p> <p>The whistleblowing report can be made to employee's immediate superior or CEO or COO or Independent Non-Executive Chairman or the ARMC Chairman, where appropriate.</p> <p>Any concern raised will be investigated by the Investigating Officer appointed by the CEO/COO. At the conclusion of the investigation, the Investigating Officer will submit an investigation report of the findings to the CEO/COO or to the Independent Non-Executive Chairman/Chairman of ARMC when the improper conduct is involving Board of Directors or Senior Management. The CEO/COO or the Independent Non-Executive Chairman/Chairman of ARMC must maintain a record of reports and the outcome will be reported, as necessary, to the ARMC or the Board accordingly.</p>

	<p>There was no incident of whistleblowing received in FY2021.</p> <p>The Whistleblowing Policy is accessible to the public for reference on the Company' <a href="#">website</a> in line with Practice 3.2 of the MCCG and will be periodically reviewed by the Board to ensure its relevance.</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

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>As one of the world's leading factory automation solutions provider, the Group spare no efforts towards sustaining economic and social growth, at the same time making sure that the environmental impact is minimal and ethical. The Group's primary objective is to achieve optimum equilibrium between achieving business growth and profitability, whilst simultaneously focusing on conducting the business in a socially responsible and ethical manner, creating a conducive working environment for its employees and fulfilling wherever possible the expectations of its stakeholders in its business activities.</p> <p>The Board commitment to sustainability was formalised when the Company became a public listed company. The Board has since 26 August 2019, approved the formation of SWG led by the Group CEO and include the internal experts of key functional group, to promote and oversee the development of strategy towards sustainability with emphasis on environmental program, social stewardship and governance. In furtherance of this strategy, the Board has adopted a Sustainability Policy, with emphasis on 3 key principles namely - People (Social), Planet (Environment) and Profit (Economy) in achieving its sustainability development goals, and embracing the importance of business sustainability as a fundamental element of the Group's culture.</p> <p>The Board is dedicated to providing ESG guidance to ensure that the Group are managed ethically and responsibly and enhance the value of its businesses for the benefit of all stakeholders.</p> <p>The Board adopts the Group's policies and guidelines that regulate how the Company is managed and the Company's Management establishes sustainability targets and indicators. The Senior Management team is responsible for regular ESG reporting to the Board. The Board oversees the Group's ESG strategy, initiatives and performance, which are</p>

	<p>outlined in the Sustainability Report, and help drive continuous improvement.</p> <p>In response to the unprecedented challenges in the year, improvements were made to the health and safety at Greatech's main factories in Penang and Kedah to well support ongoing operation, which is interest to external stakeholders.</p> <p>In 2021, the Board started a systematic process of building a sustainability agenda for the Group. The key areas of focus during the year include factoring ESG measures into remuneration, keeping up with changes in the remuneration landscape and assuring there is appropriate transparency on the impact of the Group activities on all stakeholders, including shareholders, employees and the communities in which the Group operates.</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

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 took cognisance that engaging in effective and meaningful dialogues and disclosures, while anticipating and meeting the needs of all stakeholders are fundamental to building trust and confidence and forms the foundation of good governance in the Group.</p> <p>The Company's sustainability strategy is guided by a materiality assessment. This assessment defines the sustainability focus areas that are most important to Greatech and its stakeholders that Greatech believe, will have the most impact on its business. Increasing sustainability expectations brings with it both risks and opportunities. As part of the materiality analysis and process of determining the material sustainability topics, the Board also reviewed the external environment with the aim of identifying both sustainability related risks and business opportunities concerning environment issues, climate change, health &amp; safety, respect for human rights, bribery and corruption.</p> <p>The Group uses a wide range of communication channels with its stakeholders, including digital engagement and face-to-face dialogue. Since 2019, the Company has been publishing its annual sustainability reports with the purpose of ensuring that it remains accountable to all its stakeholders.</p> <p>The Group constantly works to raise awareness of sustainability strategy among employees through a programme of events, initiatives and good practices implemented within the organisation. Emphasis is placed on saving energy, reduce waste and resource efficiency through education to embed a sustainability mindset and to take further steps towards effective delivery of the sustainable development strategy.</p> <p>The Group considers sustainability reporting to be an important communication channel to update the internal and external stakeholders on the Company's sustainability strategies, priorities and progress of the Company's to achieve its sustainability targets and performance. Sustainability-related actions and disclosures has also incorporated into the Company's public announcements for analysts, institutional investors and general public.</p>

	Details pertaining to how the Group engages its stakeholders are available in the “Stakeholders Engagement” section of the Company’s Sustainability Report in Annual Report 2021.	
<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 Company’s objectives, strategy and financial targets are evaluated by the Board on an annual basis. The Board also reviews the Group’s performance in ESG and evaluates the risk profile and make regular assessments of these processes to ensure high quality standards. During the financial year, the following were presented by the CFO in the Board meeting and approved by the Board.</p> <ul style="list-style-type: none"> <li>○ Materiality matrix which has been evaluated by SWG</li> <li>○ Sustainability priorities</li> <li>○ ESG strategy, plan and activities</li> <li>○ Climate change risks, opportunities and mitigation plan</li> </ul> <p>Stakeholders’ views had given valuable insight into economic and ESG topics, which had also formed part of the discussions at the Board meetings and every decision that the Board takes.</p> <p>The Board keeps fully abreast of latest regulations and guidance applicable to the business including current and emerging environment problems and develop robust practices around factoring environmental considerations into board decision making.</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 Management remuneration pay are linked to ESG metrics, ensuring management accountability for the achievement of the Company's goals.</p> <p>The performance evaluation of the Board for the FY2021 included a review of their performance in addressing the Company's material sustainability risk and opportunities and ESG issues. Based on the evaluation carried out by the Board, the below areas required further improvement/action:</p> <ul style="list-style-type: none"> <li>i) training and professional development programme in terms of ESG learning for the Board;</li> <li>ii) strengthen the sustainability agenda recognising the extensive impact of the Group's operations; and</li> <li>iii) strengthen the Board oversight of policies and performance regarding sustainability.</li> </ul>
<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**

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>The SWG, led by the Group CEO, oversees the planning and execution of sustainability strategies to ensure that our sustainability matters are implemented throughout our business operations.</p> <p>The Group CFO has been designated to manage sustainability strategically including the integration of sustainability considerations in the operations of the Group as well as reporting. Updates will be tabled for discussion at the Executive Management Meeting and ARMC Meeting in line with risk review cycle.</p> <p>Together, the SWG identifies, evaluates, monitors, and manages risks as well as opportunities in our business operations relating to Economic, Environmental and Social aspects.</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>The NC is responsible to assist the Board in the development and implementation of the policies on the nomination and appointment of Directors and Committee members in the Company, to achieve long-term sustainability of the organisation in accordance with the TOR of NC.</p> <p>The effectiveness of the Board as a whole and the contribution of each Director to the effectiveness of the Board and the contribution of the Board's various committees will be assessed on an annual basis.</p> <p>In addition, the Board Charter provides that the tenure of an Independent Director is limited to 9 years. In the event the Director was to remain designated as an Independent Director, the Board shall first justify and seek annual shareholders' approval through a two-tier voting process. However, the tenure of an Independent Director shall not exceed a cumulative term of 12 years.</p> <p>The NC reviewed the tenure of each director and the annual re-election of retiring Directors has been contingent on satisfactory evaluation of the Director's performance and contribution to the Board.</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 5.2

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 comprised of 3 INEDs and 2 Executive Directors. The present composition complies with Paragraph 15.02 of the MMLR and Practice 5.2 of the MCCG as more than half of the Board are Independent Directors. Such composition is able to provide an unbiased, independent and objective judgement to facilitate a balanced leadership in the Group as well as providing effective check and balance to safeguard the interest of the minority shareholders and other stakeholders, and ensuring high standards of conduct and integrity are maintained.</p> <p>The Board having reviewed its size and composition is satisfied that its current size and composition is well balanced, with diverse professional background, skills, expertise and knowledge in discharging its responsibilities for the proper functioning of the Board. Furthermore, the current number of Board members is conducive for efficient deliberations at Board meetings and effective conduct of Board decision-making.</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>	:	<p>Under Part 4.10.1 of the Board Charter, the tenure of an Independent Director shall not exceed a cumulative term of 9 years. In the event that the Independent Director extends the period of tenure past the completion of 9 years, justification from the Board as well as approval for shareholders is necessitated.</p> <p>Presently, none of Greatech's Independent Directors have exceeded this limit. Upon the completion of 9 years, the Independent Director may continue to serve on the Board as a re-designated, Non-Independent Director. If, however, the Director is to remain designated as an Independent Director, the Board shall provide justification and obtain shareholders' approval through a two-tier voting process on a year-to-year basis.</p> <p>The Board will determine whether the independency of a Director has been impaired through a rigorous review to justify retaining an Independent Director beyond the cumulative term limit of 9 years.</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 5.4 - 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 endeavours to ensure that it consists of individuals with a diverse background equipped with professional and technical knowledge to effectively carry out its roles as the representative to the interests of shareholders. The qualifications for Board membership are the ability to make sensible business decisions and recommendations, an entrepreneurial talent for contributing to the creation of shareholder value, the ability to see the wider picture, to raise constructive queries, and to promulgate high ethical standards, while at the same time maintaining sound practical sense, and putting in the commitment to furthering the interests of shareholders and the achievement of the Company's goals.</p> <p>In putting the Board and Senior Management Diversity Policy into action, the NC is mindful of its responsibilities to conduct all Board appointments processes through various approaches in a manner that promotes diversity in the Board which can offer greater depth, breadth and lead to better decisions made while taking into account suitability for the role. It will also take into consideration Board balance and composition, the required mix of skills, the candidates' background, knowledge, integrity, competency, experience and potential contribution to the Group. In the case of candidates for the position of Independent Director, the NC will also evaluate the candidate's ability to discharge responsibilities and functions as expected from an Independent Director.</p> <p>There was no Director appointed to the Board during FY2021.</p> <p>The Board reviewed its composition against the Company's requirements of its Board and is satisfied that the Board composition is well diversified to better reflects the realities of the society, strengthens strategy formulation and the overall credibility of the Company.</p> <p>The Board, through the NC, considers annually the time commitment expected from each of the director to meet the expectations of their role. This includes making time to familiarise themselves with business</p>



	<p>priorities and challenges and to prepare for and attend Board and Board Committee meetings. The Board is also expected to attend the AGM, engage with stakeholders and participate in the Board evaluation process.</p> <p>Directors are, while holding office, at liberty to accept other Board appointment(s) in other companies, so long as the appointment is not in conflict with the Company's business and does not affect the discharge of his/her duty as a Director of the Company, required to notify the Chairman of the Board and/or the Secretary, prior to the acceptance of new Board appointment in other companies. New appointments are then reported to the Board.</p> <p>Currently, several of the INEDs hold more than two external appointments (although some of these are not-for-profit organisations). The Board has considered these external commitments, taking into account the time commitment required for each role, and is satisfied they do not impact upon the individual Board members' ability to discharge their responsibilities fully and effectively. As evidenced in this statement, all Directors attended all the Board and Board Committees meetings of the Company held in FY2021.</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

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>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The primary responsibility on screening, evaluating and nominating new Board Member(s) for appointment is delegated to the NC. The nomination process for the appointment of Directors and the criteria used by the NC in the selection process are provided in the TOR of NC.</p> <p>In respect of the appointment of Directors, the Company practises a clear and transparent nomination process, which involves the following 5 stages:</p> <p>Stage 1: Identification of candidates Stage 2: Evaluation of suitability of candidates Stage 3: Meeting up with candidates Stage 4: Final deliberation by the NC Stage 5: Recommendation to the Board</p> <p>The search and nomination process for new Directors, if any, is facilitated through recommendations from the Directors, or external parties, including the Company's contacts in related industries or may engage executive search firms to source for potential candidates.</p> <p>Pursuant to the TOR of the NC, the NC is tasked to identify, nominate and orientate new Directors and to make recommendations to the Board for the appointment of Directors. While the Board is responsible for the appointment of new Directors, the NC is delegated with the role of screening and conducting an initial selection, which includes external and independent searches, before making a recommendation to the Board. The NC reviews the candidate for appointment as Director based on the mix of skills, expertise, working experience, professionalism, integrity and the ability to discharge their expected duties and responsibilities.</p> <p>In sourcing for new Directors, the Board acknowledges the importance of not solely relying on recommendations from existing Board members, Management or major shareholders in identifying candidates for appointment of Directors, but trust that the nomination has its</p>

	merits. The NC meets with the shortlisted Board candidates to assess their suitability and availability before making recommendations to the Board for its consideration and approval.	
<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 5.7

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 performance of retiring Directors recommended for re-election at the 3<sup>rd</sup> AGM have been assessed through the Board annual evaluation (including the independence of INED). A statement by the Board and NC being satisfied with the performance and effectiveness of the retiring Directors who offered themselves for re-election at the AGM was stated in the notes accompanying the Notice of AGM.</p> <p>The profile of the Directors who were due for retirement and offered themselves for re-election, which included the nature of interest with the Company, whichever applicable, were set out in the Annual Report 2021 of the Company.</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 5.8

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>	:	<p>The NC is chaired by Dato' Seri Wong Siew Hai, the INED of the Company. The present NC comprises exclusively of INEDs as follows:</p> <ul style="list-style-type: none"><li>• Dato' Seri Wong Siew Hai (Chairman)</li><li>• Puan Mariamah binti Daud</li><li>• Ms. Ooi Hooi Kiang</li></ul> <p>Under the leadership of Dato' Seri Wong Siew Hai, the NC has convened a meeting and carried out, among others, the following activities during the FY2021:</p> <ul style="list-style-type: none"><li>- Reviewed the Board's and Board Committees' effectiveness, deliberated on their findings and reported the outcome in the Board meeting;</li><li>- Reviewed the performance of the Executive Directors and CFO of the Company and reported the outcome in the Board meeting; and</li><li>- Reviewed the term of office and performance of ARMC and reported the outcome in the Board meeting.</li></ul> <p>The TOR of the NC is available on the Company's <a href="#">website</a>.</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 5.9**

The board comprises at least 30% women directors.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>In FY20212 out of 5 Directors i.e. 40% (2020: 40%) on the Board are females, which demonstrates the Group's commitment on Board gender diversity.</p> <p>The Company had exceeded the prevailing requirement of Practice 5.9 of the MCG to have at least 30% women Directors on Board. Each female Director has been appointed based on their core competencies and relevant experience critical to the Company and its businesses.</p> <p>The Board and Senior Management Diversity Policy was updated and approved on 1 November 2021 to encourage Board and senior leadership gender diversity, among other this criterion is included.</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 5.10

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>The Board recognises that gender and ethnic diversity is an essential element contributing to the sustainable development of the Group and does not discriminate on the basis of ethnicity, age, gender, nationality, political affiliation, religious affiliation, marital status, education background or physical ability. The 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. The Board believes that diversity facilitates multi perspectives resulted in productivity, sustainability and competencies to deliver the business performance of the Company for the benefit of the shareholders over the medium to long-term.</p> <p>The Board and Senior Management Diversity Policy was updated to encourage Board and senior leadership gender diversity.</p> <p>In FY2021, female representation on the Senior Management level was 33% (2020: 33%). While the Group are above 30% by 2021 target for women participation in Senior Management recommended by the Practice 5.10 of the MCGG.</p> <p>In order to enhance the Board and Senior Management gender diversity, the Board will strive to ensure a minimum of 30% female representation on the Board and Senior Management.</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

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>For FY2021, an annual assessment of the Board, its Committees and contribution of each individual Director is carried out by the NC, taking the form of comprehensive evaluation questionnaires which provide all Directors with an opportunity to score their opinion on a series of questions in relation to inter alia the execution and performance of the Board as a whole and the 3 Board Committees, and to comment on procedures or any relevant matters.</p> <p>The evaluation of the Board covers factors such as mix and composition of the Board, quality of decision making, timeliness of Board papers, internal controls, conduct of Board meetings, interactions with the Management and stakeholders and, effectiveness of the Chairman.</p> <p>The Board Committees are assessed based on efficiency and effectiveness of each Committee and its members' continuous contribution to the Board and commitment to their roles and responsibilities in discharging their duties. Likewise, the NC is able to assess the contribution of each individual Director to the effectiveness of the Board.</p> <p>In addition, all Independent Directors had signed an undertaking/confirmation letter that they remain independent. The NC had considered each Independent Director's independence and advised the Board accordingly.</p> <p>The assessments were facilitated by the Company Secretaries making references to the guides available. All results were presented to the NC for review before being reported to the Board for notation, discussion and further improvements.</p>



	<p>Following the annual review, the NC agreed that the Board as a whole and the Board Committees had performed well and effectively and the overall composition of the Board in terms of size, mix of skills, experience, core competencies and the balance between the Executive Directors, Non-Executive Directors and Independent Directors, as appropriate. The Independent Directors had also fulfilled their independent role in corporate accountability through their objective participation in Board deliberations during Board meetings.</p> <p>In accordance with the Practice 6.1 of the MCCG, the Board considered the option of engaging independent experts to conduct its performance evaluation for 2021, but decided to proceed with an internal assessment process given the limitations of conducting an evaluation process remotely in the COVID-19 environment, rather than in person.</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>The Board will engage an independent expert at least every 3 years, to facilitate objective and candid board evaluation.</p>
<p><b>Timeframe</b></p>	<p>:</p>	<p>By end of year 2023.</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 has adopted a Remuneration Policy for the remuneration of Directors and Key Principal Officers of the Company. The Board is aware that a fair remuneration is critical to attract, retain and motivate its Directors and Key Senior Management to drive the business strategy, objectives, values and long-term interest of the Company.</p> <p>The Remuneration Policy of the Company is designed to align the interest of the Directors and Key Principal Officers with those of shareholders, by linking reward to the Group's and individual's performance, therefore promoting long-term sustainability of the Company. It seeks to attract, motivate and retain key employees with competitive remuneration packages based on respective individual's responsibilities, expertise, prevailing market conditions and relevant market benchmarks.</p> <p>In determining the level and make-up of the Director's remuneration, the RC is guided by the Remuneration Policy to consider, among others, the following:</p> <ul style="list-style-type: none"><li>- Ensure the remuneration package supports the Group's objective, culture and strategy;</li><li>- Remuneration and employment conditions of the industry and market as a whole;</li><li>- The Group's performance;</li><li>- Individual's performance against established criteria and performance related elements; his or her responsibilities and accountability;</li></ul>

	<ul style="list-style-type: none"> <li>- The remuneration for Non-Executive Directors must be in line to the level of contribution, taking into account factors such as effort and time spent and the responsibilities entrusted;</li> <li>- The remuneration for each Executive Director shall be based on their individual level of expertise, knowledge and experience; and</li> <li>- The policy to cover Directors' fee, salaries, allowances, bonuses, options and benefits-in-kind.</li> </ul> <p>The Remuneration Policy is reviewed periodically and was last reviewed in April 2021. The Remuneration Policy is available on the Company's <a href="#">website</a>.</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

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 as delegated by the Board is responsible to implement the Remuneration Policy and to review the remuneration packages for Directors and Key Principal Officer of the Company.</p> <p>The RC comprises exclusively of INED of the Company and is governed by its TOR, which is available on the Company's <a href="#">website</a>. The current members of the RC are as follows:</p> <ul style="list-style-type: none"><li>• Ms. Ooi Hooi Kiang (Chairman)</li><li>• Puan Mariamah binti Daud</li><li>• Dato' Seri Wong Siew Hai</li></ul> <p>The RC is empowered by its TOR to have the resources, and full and unrestricted access to any information required to perform its duties.</p> <p>In the FY2021, the RC carried out an annual review of the Executive Directors' and CFO's remuneration, whereupon recommendations were submitted to the Board for approval. Such annual review is to ensure that the remuneration package of the Directors remains sufficiently attractive to retain the Executive Directors and CFO of such calibre to provide the necessary skills and experience and commensurate with their responsibilities to ensure the effective management and operations of the Group to achieve the Group's long-term objectives.</p> <p>The Executive Directors do not participate in the decision in respect of their own remuneration. The remuneration package for all Directors is determined by the Board as a whole following the relevant recommendations made by the RC, with the Directors concerned abstaining from deliberations and voting on his/her own remuneration.</p>

	<p>The level of remuneration for Non-Executive Directors generally reflects the effort, time spent, and level of responsibilities undertaken. They are paid a basic fee as ordinary remuneration, a sum based on their respective responsibilities in Board Committees, meeting allowance and reimbursement for reasonable expenses incurred in the course of their duties to ensure the remuneration and incentives for Independent Directors are not in conflict with their obligations to deliver objectivity and independent judgement on matters discussed at Board and Board Committees meetings.</p> <p>The proposed Directors' fees and benefits for the period from the next day after the forthcoming 4<sup>th</sup> AGM until the next AGM of the Company will be tabled at the forthcoming 4<sup>th</sup> AGM for the approval of the shareholders. The interested Directors had abstained from voting on the resolutions approving the Directors' fees and Directors' benefit at the 3<sup>rd</sup> AGM held in year 2021 and will continue this practice at the forthcoming 4<sup>th</sup> AGM.</p> <p>In addition to the above, the Directors are provided with the Directors &amp; Officers ("D&amp;O") insurance in respect of any liabilities arising from acts committed in their capacity as D&amp;O of the Group. However, the said insurance policy does not indemnify a Director or principal officer if he/she is proven to have acted negligently, fraudulently or dishonestly, or in breach of his/her duty or trust.</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>	:	The detailed disclosure on named basis for the remuneration of individual directors, including the breakdown of individual directors on fees, salary, bonus, benefits in-kind and other emoluments for FY2021 are as disclosed 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	Dato' Tan Eng Kee	Executive Director	67	-	-	-	-	-	67	67	-	529	353	27	109	1,085
2	Khor Lean Heng	Executive Director	67	-	-	-	-	-	67	67	-	372	336	17	86	878
3	Ooi Hooi Kiang	Independent Director	67	6	-	-	-	-	73	67	6	-	-	-	-	73
4	Mariamah binti Daud	Independent Director	67	6	-	-	-	-	73	67	6	-	-	-	-	73
5	Dato' Seri Wong Siew Hai	Independent Director	67	6	-	-	-	-	73	67	6	-	-	-	-	73
6	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
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 Board is in the opinion that the disclosure of the Key Senior Management's remuneration on a named basis in bands of RM50,000, the Company is of the view that it is not in its best interest to disclose details of remuneration due to the confidentiality and sensitive nature of such information. Greatech requires highly skilled talents given with its nature of business. In view of the competitive market for talents in the industry, the Company would want to ensure that every effort is made in retaining its talents. Furthermore, this information is subject to the Personal Data Protection Act 2010, that requires written consent from the respective Senior Management personnel for disclosure of their personal data to the public at large, and taking into consideration the sensitivity, security, and issue of staff morale.</p> <p>As an alternative, the Company disclosed the details of its top 6 Key Senior Management during the FY2021 on a group basis as below:</p> <table border="1"> <thead> <tr> <th>Remuneration (Top 6 Key Senior Management)</th> <th>RM'000</th> </tr> </thead> <tbody> <tr> <td>Salary and other emoluments **</td> <td>1,930</td> </tr> <tr> <td>Statutory contributions by the Company</td> <td>229</td> </tr> <tr> <td>Benefits-in-kind</td> <td>35</td> </tr> <tr> <td><b>Total</b></td> <td><b>2,194</b></td> </tr> </tbody> </table> <p>** Including salary, bonus and allowances chargeable to income tax</p> <p>The performance of Key Senior Management is evaluated on an annual basis and measured against the targets sets for the year. The remuneration packages are reviewed annually and adjustments to their remuneration are made based on not only on their individual performance and contributions in the preceding year, but also the Company's performance.</p>	Remuneration (Top 6 Key Senior Management)	RM'000	Salary and other emoluments **	1,930	Statutory contributions by the Company	229	Benefits-in-kind	35	<b>Total</b>	<b>2,194</b>
Remuneration (Top 6 Key Senior Management)	RM'000											
Salary and other emoluments **	1,930											
Statutory contributions by the Company	229											
Benefits-in-kind	35											
<b>Total</b>	<b>2,194</b>											



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

<b>Measure</b>	:	The Board will continue to review the application of this practice from time to time and consider the appropriateness of such disclosure.	
<b>Timeframe</b>	:		

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 Board has established an ARMC, which report to the Board on all matters requiring audit of the Company. The ARMC is responsible for overseeing financial reporting and disclosure and assists the Board with assessments of the integrity of the Company's financial statements, financial reporting processes and internal controls, risk management and performance of the External Auditors.</p> <p>The ARMC is chaired by Puan Mariamah binti Daud ("<b>Puan Mariamah</b>") who is not the Chairman of the Board. This had ensured that the objectivity of the Board's review of the ARMC's findings and recommendations is not impaired. The ARMC members have the overall competence required to fulfil their duties based on the organisation and operations of the Group, at least 1 member of the ARMC is competent in respect of finance and audit. The ARMC comprises wholly of 3 INED as of the time of writing.</p> <p>Under the leadership of Puan Mariamah during the FY2021, the ARMC ensured that:</p> <ul style="list-style-type: none"><li>- they received an audit report from the External Auditors wherein they reported on matters related to the Company's audit and its financial statements and these matters had been addressed.</li><li>- the External Auditors met with the ARMC twice during the FY2021 without the presence of the Management. The ARMC received assurance from the External Auditors that there was no issue or concern of fraud, which required to be highlighted to the ARMC.</li><li>- the Internal Auditors met the ARMC once during the FY2021 without the presence of the Management to discuss relevant issues on internal control of the Group and obtain feedback for improvement.</li><li>- ARMC's concerns on matters that may have an effect on the financial or audit of the Company were communicated to the External Auditors.</li></ul>

	<ul style="list-style-type: none"> <li>- the internal audit function is effective and is able to function independently. Further details are enumerated in Practice 11.1 in this Report.</li> <li>- the audit plans of External Auditors and Internal Auditors had adequate audit coverages.</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

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>In line with the recommendation of MCCG 2021, the TOR of ARMC and the External Auditors Assessment Policy have been revised to include the cooling off period of at least 3 years before any former partner of the external audit firm and/or the affiliate firm (including those providing advisory services, tax consulting, etc.) could be appointed as ARMC member to safeguard the independence and objectivity of the External Auditors of the Company.</p> <p>The TOR of the ARMC is available on the Company's <a href="#">website</a> for reference.</p> <p>To date, the Company has not appointed any former audit partner to be a member of the ARMC in order to uphold the utmost independence, the Board has no intention to appoint any former key audit partner as a member of the ARMC.</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 ARMC has adopted the External Auditors Assessment Policy which defined the guidelines and procedures to be undertaken by the ARMC to assess, review and supervise the suitability, objectivity, independence and overall performance of the External Auditors. The said Policy was approved by the Board in December 2019 and updated on 1 November 2021 to incorporate the requirements of MCCG published in 2021.</p> <p>This is also in accordance with the TOR of the ARMC, to review the annual performance assessment, including the suitability, objectivity and independence of the External Auditors.</p> <p>In the FY2021, the ARMC had conducted an annual assessment of the suitability, objectivity and independence of the External Auditors, Messrs. BDO PLT ("<b>BDO</b>"), in respect of the FY2020. The ARMC was satisfied with the performance and independence of the External Auditors, as well as the fulfilment of criteria based on the followings, as set out in the External Auditors Assessment Policy:</p> <ul style="list-style-type: none"><li>• adequacy of audit scope;</li><li>• ability of the external audit firm to meet audit deadlines;</li><li>• timeliness in escalating audit issues to the ARMC;</li><li>• allocation of resources to significant audit risk areas; and</li><li>• effectiveness of the external audit firm's recommendations in addressing weaknesses observed during previous audits, particularly on internal controls relevant to financial reporting process.</li></ul> <p>In respect of the performance of the External Auditors, the ARMC had reviewed the Annual Transparency Report for measures taken by BDO to uphold audit quality and manage risks.</p> <p>The ARMC has taken the following steps to ensure the External Auditor's independence is not impaired:</p> <ul style="list-style-type: none"><li>○ The External Auditors are precluded from undertaking internal audit services;</li></ul>



	<ul style="list-style-type: none"> <li>○ Prior approval by the ARMC of non-audit services is required where the cost of the proposed service exceeds or is expected to exceed RM50,000; and</li> <li>○ The extent and nature of non-audit services is disclosed in the ARMC report contained in this Annual Report.</li> </ul> <p>The ARMC has conducted an annual review of all the non-audit services provided by the affiliated firm of the External Auditors for the FY2021, as disclosed in this Annual Report and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the External Auditors.</p> <p>Based on the outcome of the assessment, the ARMC was satisfied with the competence and independence of the External Auditors and had recommended the re-appointment of the External Auditors for shareholders' consideration at the forthcoming AGM.</p> <p>The Board, on the recommendation of the ARMC, is of the view that the declaration of independence, integrity and objectivity made by the External Auditors in their audit report for each financial year under review is sufficient to serve as a written assurance from the External Auditors on their independence and integrity throughout the conduct of the audit engagement in accordance with the independence criteria as set out by MIA By-Laws, has recommended their re-appointment to the Board, upon which the shareholders' approval has been sought at 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> :	

**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 ARMC of the Company comprises solely of INEDs, namely:  (1) Puan Mariamah (Chairman); (2) Ms Ooi; and (3) Dato' Seri Wong Siew Hai.

## 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>The members of the ARMC are suitably qualified and possess sufficient financial management expertise, as determined by the Board in its business judgement, to discharge their responsibilities as ARMC members. One (1) member of the ARMC namely Ms. Ooi is the member of the MIA.</p> <p>All ARMC members are financially literate and has sufficient understanding of the Group's business and matters under the purview of the ARMC including the financial reporting process. The ARMC is kept up to date by the Management, Company Secretaries, External and Internal Auditors on changes to accounting standards, MMLR and other codes and regulations which can have an impact on the Group's business and financial statements.</p> <p>In the FY2021, the NC had carried out an annual assessment on the effectiveness of the ARMC and its individual ARMC members. Following the annual review, the NC agreed that the overall composition of the ARMC in terms of size, mix of skills, experience, core competencies and the balance between the ARMC members were appropriate.</p> <p>All members of the ARMC have also undertaken and will continue to undertake continuous professional development to keep themselves abreast of the latest developments and changes to the regulatory environment and ensure that they are equipped with the relevant knowledge and skills in discharging their duties effectively.</p> <p>The details on training programmes, seminars and forums attended by ARMC members in the FY2021 are disclosed in the section of "Corporate Governance Overview Statement" of the Company's Annual Report 2021.</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 is responsible for managing risks in order to limit potential adverse effects on the implementation of its strategy, its financial performance and the interests of shareholders.</p> <p>The Board delegates oversight of the Group's risk management processes and control environment to ARMC. The Board through the ERM Committee, monitors risk and internal control, which is a comprehensive report tabling the current status, action taken and conclusion of the key risks identified.</p> <p>The Group has in place an ERM Framework which is aligned with ISO 31000:2018 Risk Management Standards. The ERM Framework enables the Group to identify the risks and address internal control to mitigate or eliminate the risk. These risks are prioritised based on risk appetite and risk tolerance levels that the Board has adopted. The Board conducts bi-yearly review of the Company's risk exposure areas and internal control arrangements of such areas. Key risks identified are discussed at the ARMC meeting while all other risks are managed by respective department head and reported to the Board on an exceptional basis. Sustainability risks concerning climate change, environmental issues, health &amp; safety, forced labour, bribery and corruption had also been reported to the Board during the year. The Board has also been updated by the Management on the Company's financial situation and continuously evaluating if the Company's capital or liquidity are adequate in terms of business continuity during the COVID-19 pandemic.</p> <p>The Management and the Internal Auditors, Sterling Business Alignment Consulting Sdn. Bhd. ("<b>Sterling</b>") conduct reviews and audits on a regular basis to evaluate and test the adequacy and effectiveness of internal control systems on key risks. Any material non-compliance or lapses in internal controls and its corresponding mitigating actions are reported to the ARMC. BDO has also highlighted internal control weaknesses which have come to their attention in the course of their statutory audit. All external and internal audit findings and recommendations were reported to the ARMC.</p>

	<p>In the FY2021, the risk reports of the Group on product risk, intellectual property right risk, competition risk, sustainability risk, foreign exchange risk, legal and compliance risk, cyber security risk, supply chain disruption risk, market risk, operational risks and business risk were presented to the ARMC, where internal controls and risk mitigation strategies were highlighted.</p> <p>Based on the ERM Framework established, reviews carried out by the ARMC, work performed by the Internal and External Auditors, the Board, with the concurrence of the ARMC, is of the opinion that the internal controls and risk management systems in place are adequate and effective for FY2021.</p> <p>The above are also set out in the “Statement on Risk Management and Internal Control” of the Company’s Annual Report 2021.</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 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 Statement on Risk Management and Internal Control ("<b>SORMIC</b>") disclosed in the Annual Report 2021 of Greatech provides an overview of the risk management framework and internal control system within the Group.</p> <p>The Board approves the risk management strategies, whereas the authority of managing day to day risk management decisions are delegated to the ARMC and ERM Committee, with the responsibilities in assisting the Board in:</p> <p><u>The ARMC</u></p> <ul style="list-style-type: none"><li>a) Review the adequacy and effectiveness of the internal control system instituted within the Group;</li><li>b) Review the adequacy and effectiveness of Risk Management Policy and Procedure ("<b>RMPP</b>") and ongoing activities with the aim of identifying, evaluating, monitoring and mitigating risks; and</li><li>c) Provide reasonable assurance to the Board on adequacy and effectiveness of the Group's internal control system and that the assets of the Group are safeguarded against loss from unauthorised use or disposition.</li></ul> <p><u>The ERM Committee</u></p> <ul style="list-style-type: none"><li>a) Communicate the Board's vision, strategy, policy, responsibilities to all personnel across the Group;</li><li>b) Identify present or potential risks and management action plans in managing such risks;</li><li>c) Perform risk oversight and review risk profile and organisation's performance;</li></ul>

	<ul style="list-style-type: none"> <li>d) Aggregate the Group’s risk position and report to the Board on a half yearly basis;</li> <li>e) Provide guidance to respective departments on the Group’s risk appetite;</li> <li>f) Review effectiveness of the ERM framework;</li> <li>g) Overseeing the outstanding action plans needed to be performed by the risk owners for internal controls requiring improvement; and</li> <li>h) Review the risk management process.</li> </ul> <p>The Group has a formalised and structured risk management process, from defining processes, determining risk parameters, identifying risk, determining causes, determining consequences, determining likelihood, determining risk rating, identifying controls, determining control effectiveness, challenging or revising rating, determining current residual risk rating, and developing risk profile.</p> <p>The SORMIC was reviewed by the Company’s External Auditors.</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>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	<p>The function of Risk Management Committee is currently assumed by the ARMC via the ERM Committee. ERM Committee has taken up the role to review the risk management framework half yearly.</p> <p>The composition of ERM comprised of Executive Board, Risk Manager and cross functional management team. The ERM Committee, through CFO reports to ARMC during the ARMC meeting half yearly where the ARMC members reviewed the risk management framework and policies and risk report of the Group as presented to them.</p>

### Intended Outcome

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

### Practice 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>Greatech outsourced its internal audit (“IA”) function to an independent professional service provider, Sterling, to assist the ARMC and the Board in discharging their responsibilities. The outsourced Internal Auditors shall provide the Company with its independent, objective assurance and advisory services in enhancing the Group’s overall operational controls’ efficiency and effectiveness.</p> <p>The Internal Auditors perform their audit engagements according to the annual audit plan 2021 as approved by the ARMC. Throughout the engagement period, the Internal Auditors cover the conduct of the audit planning, execution, documentations, communication of findings, consultations, and follow up on the action items with key stakeholders on the audit concerns, with reference to the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors. Secondly, the Internal Auditors are granted with unrestricted access to any information, records, physical properties, and personnel as well as the reporting workflow to execute its agreed-upon objectives and responsibilities.</p> <p>The IA function report directly to the ARMC members and provides the Board with reasonable assurance on the effectiveness of internal controls in the Group. In accordance with Paragraph 15.15(3)(e) of MMLR, the detailed activities conducted by the internal auditors are disclosed in the Annual Report 2021, under ARMC Report.</p> <p>In ensuring that the duties and responsibilities of Internal Auditors are fully discharged, the TOR of the ARMC stipulates that the ARMC is responsible to evaluate:</p> <ul style="list-style-type: none"><li>a) The adequacy of the scope, competency and resources of the IA function, and that it has the necessary authority to perform its work;</li><li>b) The audit plan, processes the results of the IA assessments, investigation undertaken and monitor the implementation progress of audit recommendations;</li><li>c) The appraisal and assessment of the member of Internal Auditors, to ensure that the IA function is effective and able to perform independently; and</li></ul>

	d) The remit of the IA function.	
<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 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 IA team have unfettered access to the Company’s documents, records, properties and personnel, including access to the ARMC. The Internal Auditors has staffed the IA team with persons who possess the relevant qualifications and experience and use the Committee of Sponsoring Organisations of the Treadway Commission (“<b>COSO</b>”) Internal Control – Integrated Framework as a basis for evaluating the effectiveness of the internal control system. The IA work carried out is guided by International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.</p> <p>During the FY2021, the ARMC had assessed and reviewed the adequacy of the scope, functions, resources, competency and independence of the Internal Auditors. Findings and related action plans from IA reviews and/or internal control assessments are reported to the Management; summary report including follow-up matters arising from previous cycle audit and its implementation of action plans, audit recommendations, where applicable, along with a conclusion statement on the opinion given for the scope of works performed are provided to the ARMC at every meeting. The ARMC is satisfied that the Internal Auditors have sufficient resources, staffed by suitably qualified and experienced personnel and have to the best of its ability, maintained its independence in carrying out the IA function.</p> <p>Sterling is a corporate member of the Institute of Internal Auditors Malaysia (“IIAM”). The number of audit staffs deployed by Sterling for each IA review ranges from 2 to 3 internal auditors per visit depending on the areas of audit. The IA staffs are professionally guided and trained to develop the appropriate competencies to perform their duties during the IA review. For the year under review, the following lead Internal Auditors were in charge of the IA reports for FY2021:</p> <p>a. So Hsien Ying, a Certified Internal Control Professional (US), Master in Business Administration (Finance) (Hull), BSc Economics (Hons) (London), permanent member of The Internal Control Institute (US), Member of Malaysian Alliance of Corporate</p>

	<p>Directors and Associate Member of IIAM with 28 years of experience in business process improvement, internal control review, internal audit and risk management.</p> <p>b. Cheng Chean, a Chartered Member of the Institute of Internal Auditors Malaysia (“CMIIA”) and a Fellow Member of the Chartered Certified Accountant (“FCCA”). Mr Cheng has 19 years of hands-on experience in the fields of External Audit, IA and Internal Control Review.</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 recognises that timely, high-quality and effective disclosure is a key component in upholding the principles and best practices of corporate governance within the Group. As such, maintaining efficient communication between members of the public and the Company is important to build and sustain common understanding and trust between the Company and our stakeholders.</p> <p><u>Shareholders</u></p> <p>The Group has in place Investor Relations (“IR”) Policy which spells out guidelines and practices that it applies when communicating with shareholders and prospective investors with appropriate information necessary to make well-informed investment decisions. The IR Policy outlines the Company’s approach toward the dissemination of material information, response to market rumours, unwarranted promotional activities closed periods and restriction on insider trading with reference to Chapter 9 of the MMLR.</p> <p>The Company currently handles its IR matter internally. The Company’s IR team is led by the CEO to facilitate effective communication with shareholders, prospective investors and other financial community. During the year, the Group CEO and CFO actively engages in dialogue and meetings with shareholders, prospective investors, investment analysts, fund managers and media to ensure the Group’s management strategies, corporate direction and operational developments are clear and understood. This includes analyst briefings, shareholders briefings during AGM, conference calls, ad-hoc meetings and 1-to-1 meetings with brokerage houses and analysts. Due to the travel restrictions caused by global pandemic, the Company has addressed the analyst and investor engagements remotely. Our Chief Executives supported by the Company’s IR function, hosted results presentation and answered the key issues of which investors were mainly concerned following publication of the Group’s quarterly and full year results.</p> <p>The outcomes of stakeholder discussions, including any concerns raised by them, are reported to the Board and Board Committees on a regular basis. Analyst reports are shared regularly with the Board. The Board</p>

	<p>attends the AGM which gives individual shareholders the opportunity to engage directly with them and raise questions about the Company.</p> <p>The Company's corporate website serves as a resource centre from which the financial community can access information of the Group. In addition, the Company's corporate website has a dedicated investor relations section containing stock information and all material information reported to the Bursa Securities, together with copies of annual and quarterly results announcements and trading updates. Contact details of the IR are also listed on the website to facilitate dialogue and queries from shareholders.</p> <p>One of the most effective platform for disseminating messages of the Company is social media network. The grew in the direct followers of social media platform of the Company provided the assurance that communication was received by the target market intended for.</p> <p><u>Employees</u></p> <p>The Group provides an effective platform for clear and open communication with employees. Regular employee engagement events were held through the Group internet platform during the year due to the COVID-19 pandemic and geographically dispersed nature of the Company's workforce. The CEO regularly hold local employee "town hall" meetings. Feedback from employees during one-to-one performance reviews, through line manager, suggestions box or dialogue with HR function were relayed through HR function to the Executive Board. During the year, a group-wide employee survey was conducted to gain a better understanding of the employee satisfaction and engagement. Outcome of the employee satisfaction and engagement level together with workforce concerns that has been raised have also been reported to the Board via the Management through Board presentations and site visits in our open culture.</p> <p><u>Other Stakeholders</u></p> <p>The Board's considers other stakeholder groups in its decision-making and interaction with key stakeholders is set out in the Company's Sustainability Report.</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>

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Company has not adopted integrated reporting based on a globally recognised framework as the Annual Report 2021 provides comprehensive financial and non-financial information of the Group and contains components such as Management Discussion and Analysis, Corporate Governance Overview Statement, Sustainability Report and Statement on Risk Management and Internal Control that form an integral part of the non-financial information. Further, the present Sustainability Report has incorporated in-depth overview of the Group's governance policies and stakeholder initiatives. These represent the Board's commitment towards sustainability and a more comprehensive reporting at all time.</p> <p>The Board acknowledges that the MCCG encourages the adoption of integrated reporting based on a globally recognised framework to improve the quality of information available to investors and promote greater transparency and accountability.</p> <p>Recognising that integrated reporting is a journey which requires cross functional efforts, the Company will gradually build upon the necessary processes and systems to support the development towards integrated reporting.</p>
<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>	:	The Company would consider adopting integrated reporting if the Board opined that the benefits arising from the adoption of integrated reporting outweigh the related costs.
<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 AGM represents the principal forum for dialogue and interaction with shareholders. At every meeting, the Board sets out the progress and performance of the Group.</p> <p>The Annual Report 2020, Share Buy-Back Statement, Notice of AGM and Administrative Guide to participate in the virtual AGM were issued on 22 April 2021 for the 3rd AGM of the Company held on 21 May 2021, which furnished useful information regarding conduct of the AGM 28 days before the meeting, well in advance of the 21-days requirements under the Companies Act 2016 and MMLR. The additional time provide the shareholders sufficient time to consider the proposed resolutions that will be discussed and decided at the AGM. Where the shareholders are not able to attend the AGM, they may appoint proxies to attend, vote and ask question on their behalf.</p> <p>The Company had commenced using electronic communications to transmit Annual Report and other documents such as the Notice of AGM to all shareholders by uploading such documents via the Bursa Securities' website and publishing on the Company's <a href="#">website</a>. The Shareholders of the Company received the Annual Report with an accompanying notice of AGM either electronically or hard copy by post depending on their preference.</p> <p>The notice of AGM was also published in the nationally circulated daily newspaper within the mandatory period. The notice of AGM provides further explanation beyond the minimum contents stipulated in MMLR for the resolution proposed along with any background information and reports or recommendation that are relevant, where required and necessary, to enable shareholders to make an informed decision in exercising their voting rights.</p> <p>In view of the COVID-19 transmission risk, the 3<sup>rd</sup> AGM of the Company held in year 2021 was convened and held via electronic means i.e. live audio-visual webcast pursuant to the Guidelines issued by the Securities Commission Malaysia on the conduct of a general meeting. Alternative arrangements relating to attendance at the AGM via electronic means, submission of questions ahead of the AGM, addressing of substantial and relevant questions prior to or at the AGM and voting by appointing the Chairman of the meeting as proxy at the AGM were set out in the notice of AGM.</p>

	<p>The proceedings of the 3<sup>rd</sup> AGM included the Group CEO's and CFO's presentation of the Group's performance, key developments and financial results for the reporting year and commentary on the outlook for the following year and a question &amp; answer ("Q&amp;A") session during which the Chairman invited shareholders to raise questions pertaining to the Company's financial statements and other items, before putting the resolutions to vote.</p> <p>Shareholders are encouraged to participate in the Q&amp;A session wherein the Directors, Company Secretary, CFO, as well as the Group's External Auditors are available to respond to the queries raised. In the event an answer cannot be readily given at the meeting, the Chairman will undertake to provide a response that is subsequently uploaded onto the corporate website.</p> <p>The Board is satisfied with the current programme for the AGM. During 2021, there were no major contentious issues noted with shareholders/investors.</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

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>The Board regards its AGM or other general meetings as an opportunity to communicate directly with shareholders and endeavour to encourage shareholders to participate in these meetings. The dates of the AGM, Board and Board Committees' Meetings have been discussed and fixed in advance with the Board and Management team, for them to plan, prepare and arrange their schedule to attend the General Meetings.</p> <p>In line with the recommendation of MCCG which encourages more shareholders to participate the general meeting of the Company while adhering to the physical distancing requirements under the COVID-19 pandemic, the Company adopted the Guidelines issued by the Securities Commission Malaysia on the conduct of a general meeting and to enable the voting in absentia or remote shareholders' participation at the 3<sup>rd</sup> AGM of the Company.</p> <p>The dates of AGM, Board and Board Committees' Meetings for each financial year were fixed in advance for the whole year to ensure all Directors/Committees members' dates are booked and also enable Management's planning for the whole financial year.</p> <p>The Chairman of the ARMC, NC and RC and the External Auditors were present at the last virtual AGM and will endeavour to be present at the forthcoming virtual AGM. At the 3<sup>rd</sup> AGM held on 21 May 2021, all 5 Directors attended the AGM.</p> <p>All Directors including Chairman of the Board and the respective Chairman of the Board Committees the CEO, COO and CFO attended the 3<sup>rd</sup> AGM to answer any questions put to them and address concerns from shareholders. The External Auditors were also present in AGM to address any shareholders' queries about the conduct of audit and the preparation and content of the auditors' reports.</p> <p>The Board encourages shareholders to participate in the Q&amp;A session at every general meeting. Shareholders and proxies are allowed to submit their questions prior to the AGM through email to the Company. The questions received in advance from the shareholders were addressed and published on the screen during the meeting. For questions received through typed text in the online meeting platform on the meeting day, the appointed moderators will select the questions</p>

	<p>relevant to the meeting agenda and project it on the screen to be visible to all meeting participants. Directors will endeavour to answer all questions received during the meeting. For questions that are not able to be dealt with during the AGM due to time constraint, the Management will respond through email after the AGM.</p> <p>The Board ensures that sufficient opportunities are given to shareholders to raise issues relating to the affairs of the Company and that adequate responses are given. Outcome of the AGM on all resolutions proposed at the AGM is submitted to Bursa Securities immediately after the AGM. The of minutes of AGM including the attendance of Directors, questions raised by shareholders and the respective responses and outcome of the voting results are made available to the shareholders and public for reference at the Bursa Securities' <a href="#">website</a> and Company's <a href="#">website</a>.</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

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>In accordance with its Constitution, the Company may convene a General Meeting at more than one venue using any technology or method that enables the shareholders of the Company to participate and to exercise the shareholders' right to speak and vote at the meeting. The main venue of the meeting shall be in Malaysia and the Chairman shall be present at the main venue.</p> <p>In FY2021, in view of the COVID-19 pandemic conditions, the Company took the necessary precautions and preventive measures in complying with the directives issued by the Malaysian Ministry of Health. These include the option of remote shareholders' participation at the AGM.</p> <p>The Company had leveraged on technology to facilitate remote shareholders' participation and electronic voting for the conduct of poll on all resolutions for the virtual 3<sup>rd</sup> AGM.</p> <p>The 3<sup>rd</sup> AGM of the Company was conducted on a virtual basis via remote participation and voting facilities, namely Securities Services e-Portal ("SSeP"). All votes were held by poll and submitted through SSeP.</p> <p>The Administrative Notes of 3<sup>rd</sup> AGM including online registration and remote participation and voting were provided to shareholders. In addition, a step-by-step guide together with a short audio clip on the online voting module was played prior to the commencement of poll voting.</p> <p>An independent scrutineer was appointed to validate the votes cast and results of each resolution put to vote were announced at the meeting. The poll results were instantaneously displayed on-screen which could be seen by shareholders who join the meeting via electronic means, confirmed by the Chairman.</p> <p>All resolutions at the 2021 AGM were passed, with approximately 75.5% of the total number of issued shares of the Company voted, indicating high levels of engagement.</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 AGM is a valuable opportunity for the Board to engage with shareholders directly, although in 2021, in line with Government's COVID-19 guidance, the format of the meeting was such that shareholders could not be present physically.</p> <p>The Chairman of 3<sup>rd</sup> AGM ensured that sufficient opportunities were given to shareholders to raise issues relating to the affairs of the Company by providing ample time for the Q&amp;A session during the 3<sup>rd</sup> AGM. All shareholders are encouraged to participate in the AGM and pose questions in the period leading up to or after the AGM through the dedicated email address <a href="mailto:enquiry@greatech-group.com">enquiry@greatech-group.com</a> if circumstances prevent active attendance.</p> <p>The Group CEO and CFO present on overview of the Group's business, financial performance for FY2020 and make comment on strategy and current business activity respectively.</p> <p>The shareholders and proxy holders can rely on real time submission of typed text to exercise their rights to speak or communicate in a virtual meeting by submitting questions or remarks in relation to the agenda items into the text box given in the live stream player within the same SSeP page.</p> <p>The Chairman of the Board, Group CEO and CFO had actively responded to relevant questions addressed to them during the 3<sup>rd</sup> AGM.</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

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 Board ensured the required infrastructures and tools were in placed to enable the smooth broadcast of the 3<sup>rd</sup> AGM and meaningful engagement with the shareholders. The questions posed by the shareholders were responded by the Directors and CFO and displayed to make visible to all meeting participants during the 3<sup>rd</sup> AGM.</p> <p>The Board ensured the seamless experience for shareholders in participating at the 3<sup>rd</sup> AGM virtually by engaging SS E Solutions Sdn. Bhd. as the service provider of Remote Participation and Voting (“RPV”) facilities, namely SSeP for the 3<sup>rd</sup> AGM.</p> <p>After considering the complexity (such as user friendly to shareholders and directors), stability and cost of the meeting platform as well as the COVID-19 pandemic condition at that point in time, the Company decided to opt for SSeP, which was the same meeting platform used by the Company for its 2<sup>nd</sup> AGM.</p> <p>The shareholders and proxy holders can rely on real time submission of typed text to exercise their rights to speak or communicate in a virtual meeting by submitting questions or remarks in relation to the agenda items into the text box given in the live stream player within the same SSeP page.</p> <p>The Chairman of the Board, Group CEO and CFO had actively responded to all questions addressed to them by reading out the questions and their responses at the 3<sup>rd</sup> AGM.</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

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 Company's AGM remains one of the most important platforms for communication and engagement between the Company and its shareholders, as it encompasses a two-way discussion on the Company's achievements and performance in the past year and its plans and strategies for the near and long-term future.  The recording of the proceedings in the form of minutes reflects the mutual understanding, agreements as well as resolutions reached between the shareholders and Directors of the Company.  The Minutes of 3 <sup>rd</sup> AGM recording of the general meeting detailing proceedings and issues or concerns raised by shareholders, and the responses by the Company were available on the Company's <a href="#">website</a> and Bursa Securities' <a href="#">website</a> within 30 business days after the conclusion of the 3 <sup>rd</sup> AGM, to provide useful information to shareholders and investors especially for the absentee shareholders to keep track with the AGM that they are unable to attend.
<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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