

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0116
COMPANY NAME : Focus Dynamics Group Berhad
FINANCIAL YEAR : September 30, 2023

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>Roles and Responsibilities</p> <p>The Board's function, amongst others, is to guide the Group on its short- and long-term goals, providing advice, stewardship and directions on management and business of the Group. The Board sets the Company's values and standards, and to ensure that the obligations to the shareholders and stakeholders are understood and met.</p> <p>The Board holds the responsibility for good corporate governance and therefore strives to follow the principles and recommendations stated in the Malaysian Code on Corporate Governance (MCCG).</p> <p>The Board monitor and ensure that the Company complies with the guidelines issued by the Bursa Malaysia Security Berhad and the Securities Commission relating to corporate governance and disclosure.</p> <p>The Board establish the corporate vision and mission, as well as the philosophy of the Company, setting objectives of the Management and monitoring the performance of the Management.</p> <p>The Board's principal responsibilities include the following:</p> <ul style="list-style-type: none">• Reviewing and adopting a strategic plan for the Group;• Overseeing the conduct of the Group's business;• Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures;• Establishing a succession planning;• Overseeing the development and implementation of a shareholder communications policy for the Group; and• Reviewing the adequacy and the integrity of the management information and internal control system of the Group.

	<p>To enable the Board to discharge its role and functions effectively, the Board has established the following committees:</p> <ul style="list-style-type: none"> • Audit Committee (AC) • Nomination Committee (NC) • Remuneration Committee (RC) • Risk Management Committee • Employees Share Option Scheme Committee <p>The above roles and responsibilities have been formalised in the Board Charter which is uploaded onto the Group's website at www.focusdynamics.com.my.</p> <p>The Board hold the meetings at least once every quarter to facilitate the discharge of their duties and responsibilities. The Board Committees meets in person at least once in every calendar year to discharge their duties as committee members.</p> <p>The Board has established a procedure whereby the Directors may access to all information pertaining to the Company and may also seek independent professional advice in furtherance of their duties at the Company's expense.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>Our Chairman shall responsible for Board effectiveness and to ensure that the conduct and working of the Board is in an orderly and effective manner. In fulfilling this role, our Chairman is responsible for:</p> <ul style="list-style-type: none">• leading the Board in setting the values and standards of the Company;• maintaining a relationship of trust with and between the Executive and Non-Executive Directors;• ensuring the provision of accurate, timely and clear information to Directors;• ensuring effective communication with shareholders and relevant stakeholders;• arranging regular evaluation of the performance of the Board, its Committees and individual Directors;• facilitating the effective contribution of Non-Executive Directors and ensuring constructive relations be maintained between Executive and Non-Executive Directors.	
		The position of Chairman of the Board had been vacated since 31 August 2017 and the Company is looking for a suitable candidate to fill the vacancy.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The roles of the Chairman and CEO shall strictly separate to ensure balance of power and authority and to maintain effective supervision and accountability of the Board and Executive Management.	
		As mentioned in Practice 1.2, the position of Chairman of the Board had been vacated since 31 August 2017 and we are looking for a suitable candidate to fill the vacancy.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
Application	:	Applied
Explanation on application of the practice	:	None of the member of the Audit Committee, Nomination Committee or Remuneration Committee is the Chairman of the Board.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by one (1) External Company Secretary. The Company Secretary of the Company is a qualified Company Secretary pursuant to Section 235 of the Companies Act 2016, who is also an Associate Member of the Malaysian Institute of Chartered Secretaries & Administrators. The Company Secretary provides the required supports to the Board in carrying out her duties and stewardship role, providing the necessary advisory role with regards to the Company's constitution, Board's policies and procedures as well as compliance with all regulatory requirements, guidance and legislation.</p> <p>All Directors also have full and unrestricted access to the advice and services of the Company Secretary and may obtain independent professional advice at the Company's expense in order to discharge their duties effectively. The Board is regularly updated on new guidelines, directions and new regulatory issues affecting the Group by the Company Secretary as well as external consultants. The Company Secretary together with the Executive Director assist the Chairman of Board Committees to deal with the Board agenda and to provide the relevant information and documents to directors on a timely basis. The Board is satisfied with the support and performance provided by the Company Secretary in assisting the Board to discharge its duties.</p> <p>The Board is of the view that the Company Secretary has been competent and kept herself abreast with the evolving regulatory changes and developments through continuous education programmes and attendance of relevant conferences, seminars and training programmes.</p> <p>The Board is satisfied with the performance and support rendered by the Company Secretary to the Board.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>To facilitate the Directors' time planning, a pre-scheduled annual calendar of Board meetings is circulated and confirmed by the Board at the beginning of each calendar year to provide ample time for the Directors to plan their attendance.</p> <p>The notices of meetings and agenda are sent to the Directors electronically at least one week in advance and Board meeting papers are delivered to the Directors in hard copies at least three days prior to Board meetings. This enables the Directors to prior peruse the matters to be deliberated upon, and if necessary, further information is provided at the meeting for deliberation and informed decision making.</p> <p>The Board meeting papers include, among others, the following documents or information:</p> <ul style="list-style-type: none">• Quarterly financial report and report on the Company's cash and borrowing positions;• Minutes of meetings of all Committees of the Board;• Current review of the operations of the Company;• Reports on Related Party Transactions and Recurrent Related Party Transactions;• Directors' share-dealings; and• Annual budget or projection. <p>All deliberations, discussions and decisions of the Board meetings were properly minute and recorded. All proceedings of Board meetings were signed by the chairman of the meeting or the chairman of the next meeting.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has formally adopted a Board Charter that sets out the roles and responsibilities of the Board, Board Committees and Executive Management respectively, and the standard of conduct expected of the individual directors.</p> <p>The Board Charter clearly sets out the matters reserved for the Board, except where they are expressly delegated to the Board committees, the Chief Executive Officer/Executive Director, Director or a nominated member of Executive Management.</p> <p>The Board Charter is reviewed periodically or as and when changes occur to ensure that it reflects the current needs of the Group. More information on the Board Charter can be found on the Group's website at www.focusdynamics.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied	
Explanation on application of the practice	:	Code of Business Conduct and Ethics The Group adopted a Code of Business Conduct and Ethics to govern the standards of conduct and ethics expected of Directors and employees. This code which manages: <ul style="list-style-type: none">• Honest, Good Faith and Ethical Conduct• Corporate Opportunities• Avoidance of Conflicts of Interest• Confidentiality The Code of Business Conduct and Ethics has been communicated to all Directors and employees and can be viewed on the Group’s website.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	Whistle-Blowing Policy To maintain the highest standards of ethical conduct, the Group has a formal Whistle-Blowing Policy. As prescribed in this policy, the Board gave its assurance that employees' and third parties' identities will be kept confidential and whistle-blowers would not be at risk to any form of victimisation or retaliation from their superiors or any member of Executive Management provided that the reporting is in good faith. All concerns raised will be investigated and whistle-blowers can report directly to the Independent Director. The Whistle-Blowing Policy can be viewed on the Group's website.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is responsible to oversee the Group's sustainability initiatives, and endorses the proposed sustainability initiatives and material sustainability matters related to the Group with the assistance from senior management. The senior management is tasked to integrate sustainability considerations in the day-to-day operations of the Group and ensuring the effective implementation of the Group's sustainability strategies and plans.</p> <p>Additionally, the Company's Sustainability Statement provides an overview of the sustainability performance for the financial period ended 30 September 2023 (FPE 2023), as disclosed in the Annual Report 2023.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company believes in transparency and open lines of communication with all the stakeholders. Transparency and communication are fundamental components of good corporate governance and serve to build vital relationships of trust the Company maintained with its stakeholders.</p> <p>The Company engages its stakeholders through various means of communication to enable them to more understand the Company's business operation and seek their feedbacks and inputs on several matters relevant to them. The Company identified them through issues which are material based on their impact to the Company's operation and the number of stakeholders affected.</p> <p>The Company's Sustainability Statement as disclosed in the Annual Report 2023 provides a list of key stakeholder groups and their respective areas of interest as well as the methods by which the Company engage them.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board take note of the importance of the sustainable development. The Executive Directors is the designated person to ensure the relevant Heads of Department to address the sustainability issues relevant to the Company and its business in order to achieve sustainable long-term value.</p> <p>All Board members keep themselves abreast with the latest developments in relation to sustainability issues relevant to the Company and its businesses, including updating themselves on changes by the regulator, Bursa Malaysia.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>The Board (via the NC) assesses the effectiveness of the Board as a whole, all committees of the Board and the contribution of each individual Director. This assessment which is done annually is facilitated by the Company Secretary and conducted on a peer and self-evaluation basis through questionnaires circulated to the Directors.</p> <p>Completed questionnaires and the results of the evaluations are collated into a report and provided to all Directors and deliberated on by the NC and subsequently by the Board and key issues arising thereon are identified for further action by Executive Management.</p> <p>Based on the evaluation carried out for FPE 2023, the NC has informed the Board that it was satisfied with the contribution and performance of each individual Director.</p> <p>The assessment of senior management is also conducted on yearly basis.</p> <p>However, the performance evaluations of the Board and Senior Management of the Group did not cover sustainability performance evaluation. The Group considers to include such assessments into the performance evaluation of the Board and senior management moving forward, if possible.</p> <p>Please provide an alternative practice and explain how the alternative practice meets the intended outcome.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The role of the NC is to assist the Board in ensuring the Board comprises individuals with the requisite skills, knowledge and experience. The NC leads in the process of identifying and recommending suitable candidates for directorship to the Board and Board Committees.</p> <p>The NC conducts an annual review of the structure, size and composition of the Board, including the balance mix of skills, knowledge, experience and the independence of the Non-Executive Directors and also an assessment of the performance of the Board, Committees and individual of Directors.</p> <p>The Board believes in a right composition of Board members with balance of qualifications, skills, experiences and diversity among its Board members. For the year under review, the Board is satisfied with its current mix of qualification, skills, experiences, expertise and strength, in discharging its duties effectively.</p> <p>The NC is periodically reviewing and making recommendation to the Board on the Board composition matters and recommendations, which includes identification and selection of high calibre candidates who will be able to meet the present and future needs of the company.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.2

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

Application	:	Applied	
Explanation on application of the practice	:	As at 30 September 2023, the Board comprises of four (4) Directors, i.e. three (3) Independent Non-Executive Directors and one (1) Executive Director.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.3

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

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The tenure of an Independent Director should not exceed a cumulative term of nine (9) years. If upon completion of nine (9) years, the Independent Director intends to continue serve on the Board, the Board may table the retention in the forthcoming AGM subject to the following:-</p> <p>a) assessment by the NC, regarding the independence and contributions; and</p> <p>b) shareholders' approval in a general meeting, where the Board must provide its justification on the recommendation.</p> <p>Encik Abdul Menon bin Arsad @ Abdul Manan bin Arshad had served as Independent Director for a cumulative term of more than nine (9) years. Upon assessed by the NC, with a strong justification, the NC recommended to the Board for table at the 19th Annual General Meeting (AGM) to obtain shareholders' approval to retain him as the ID of the Company.</p> <p>Please provide an alternative practice and explain how the alternative practice meets the intended outcome.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The proposed retention had voted through a two-tier voting process at the 19th AGM of the Company.
Timeframe	:	Choose an item.

Intended Outcome

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

Practice 5.4 - Step Up

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

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>	
Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established a NC, consisting of three (3) Directors who are Independent Non-Executive Directors.</p> <p>The NC is to identify, assess and recommend new nominees to the Board and Board Committees. The NC assists the Board in reviewing the Board's required mix of expertise, skill, experiences, qualifications and to assess the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director.</p> <p>The NC is responsible for making recommendations on the appointment of any new Directors. New appointees will be considered and evaluated by the Board and the Company Secretary will ensure that all appointments are properly made, and that legal and regulatory obligations are met.</p> <p>The NC shall review and consider the prospective Director's character, experience, skills, expertise, core competencies, integrity and time commitment, number of directorships and external obligations constantly to avoid any doubt.</p> <p>The election or re-election of each Director is voted separately. To assist shareholders in their decision-making, to provide sufficient information such as personal profile, meetings attendance and the shareholdings in the Focus Dynamics Group of each Director who standing for election are furnished.</p> <p>The Term of Reference for NC is available on the Company's website at http://www.focusdynamics.com.my.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied	
Explanation on application of the practice	:	The NC based on the recommendation of the existing Directors or Executive Management or major shareholders on the selection of candidates to be appointed as the Directors of the Company. However, the Board will from time to time consult the business associates, advisers, consultants, etc. on the appointment of a potential candidate to the Board of the Company.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors' Profiles are published in the Annual Report and the Company's website at www.focusdynamics.com.my. These include their age, gender, tenure of service, directorships in other companies, working experience and any conflict of interest.</p> <p>The Board acknowledge the needs for the shareholders to make an informed decision on the appointment and reappointment of a Director including the 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 interest of the Group as a whole.</p> <p>During FPE 2023, the Board has not recommended any appointment of new director.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The NC is chaired by En. Abdul Menon bin Arsad @ Abdul Manan bin Arshad, who is an Independent Director.</p> <p>En. Abdul Menon bin Arsad @ Abdul Manan bin Arshad had also led the annual review of board effectiveness for the financial period 2023 in order that independent assessment of the performance of each individual Director as well as of the Board as a whole are carried out amongst all the Board Members.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>Although presently there is no gender diversity policy, the Board opined that given the current state of the Group's business and lifecycle, it is more important to have the right mix of skills on the Board rather than to attain the 30% threshold of women directors.</p> <p>Nevertheless, the Board is on the outlook for potential women Directors and shall appoint additional women Directors as and when suitable candidates are identified. No timeframe has been set for the search concerned.</p>	
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 5.10

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	See explanation on the application of Practice 5.9.	
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>		
Application	:	Applied
Explanation on application of the practice	:	<p>The Board (via the NC) assesses the effectiveness of the Board as a whole, all committees of the Board and the contribution of each individual Director. This assessment which is done annually is facilitated by the Company Secretary and conducted on a peer and self-evaluation basis through questionnaires circulated to the Directors.</p> <p>The completed questionnaires and the results of the evaluations are collated into a report and circulated to the Directors and to be deliberated at the NC meeting and the Board meeting respectively. The key issues arising thereon are identified for further action by the Executive Management.</p> <p>Based on the evaluation carried out for the FPE 2023, the NC has informed the Board that it was satisfied with the contribution and performance of each individual Director.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has in place the Remuneration Policy to ensure that the key principles for remuneration are appropriate and competitive to attract and retain experienced, knowledgeable, highly skilled and high calibre Executive Directors and Senior Management needed to manage the Group successfully in terms of supporting and driving business strategies.</p> <p>The Company's Remuneration Policy and Procedures are reviewed periodically and published on the Company website at www.focusdynamics.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied		
Explanation on application of the practice	:	The Board has established the Remuneration Committee (RC) which the members consist of:		
		Chairman	Mr. Leow Wey Seng	Independent Non-Executive Director
		Member	Encik Abdul Menon Bin Arsad @ Abdul Manan Bin Arshad	Independent Non-Executive Director
		Member	Ms. Tang Yee Ling	Independent Non-Executive Director
		The details of primary responsibilities of the RC are set out in the Terms of Reference which are published on the Company website at www.focusdynamics.com.my .		
Explanation for departure	:			
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.				
Measure	:			
Timeframe	:			

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	In line with corporate governance best practice, the disclosure of the Directors' remuneration on a named basis for the FPE 2023 is set out as 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	Tay Ben Seng, Benson	Executive Director	Input info here	6	169	Input info here	Input info here	Input info here	175	600	6	169	Input info here	Input info here	Input info here	775
2	Leow Wey Seng	Independent Director	99	6	Input info here	Input info here	Input info here	Input info here	105	99	6	Input info here	Input info here	Input info here	Input info here	105
3	Tang Yee Ling	Independent Director	45	6	Input info here	Input info here	Input info here	Input info here	51	45	6	Input info here	Input info here	Input info here	Input info here	51
4	Menon bin Arsah @ Abdul Manan bin Arshad (Resigned on 27.12.2023)	Independent Director	45	7	Input info here	Input info here	Input info here	Input info here	52	45	7	Input info here	Input info here	Input info here	Input info here	52
5	Tan Aik Heang (Resigned on 01.06.2023)	Independent Director	33	6	Input info here	Input info here	Input info here	Input info here	39	33	6	Input info here	Input info here	Input info here	Input info here	39
6	Tan Tiam Pueh	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	124	Input info here	Input info here	Input info here	124
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
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Intended Outcome

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

Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>The details of the remuneration, on the named basis, for top senior management are not disclosed in the Annual Report due to confidentiality, business and personal securities concerns.</p> <p>Furthermore, the information is subject to the Personal Data Protection Act 2010 (PDPA) that requires written consent from the respective senior management personnel for disclosure of their personal data to the public at large. The Board is also of the view that the disclosure of such information may put the Company in disadvantageous position given the competition for talent in the industries where the Group operates.</p>	
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the Audit Committee (AC) is Mr. Leow Wey Seng who is not the Chairman of the Board.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	None of the current member of the AC is a former key audit partner who was involved in auditing the Group, the Group had incorporated the policy as stipulated in Practice 3.8 into the Terms of Reference of the AC.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The AC has policies and procedures to review, assess and monitor the performances, suitability, objectivity and independence of the external auditors.</p> <p>Prior to the commencement of the annual audit, the AC will seek confirmation from the external auditors as to their independence.</p> <p>This independence confirmation would be re-affirmed by the external auditors to the AC upon their completion of the annual audit. These confirmations were made pursuant to the independence guidelines of the Malaysian Institute of Accountants.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The AC comprises of the following members:</p> <p>Mr. Leow Wey Seng Chairman, Independent Non-Executive Director</p> <p>Encik Abdul Menon bin Arsad @ Abdul Manan bin Arshad Member, Independent Non-Executive Director</p> <p>Ms. Tang Yee Ling Member, Independent Non-Executive Director</p> <p>As a conclusion, the AC comprised solely of the Independent Directors.</p>

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied	
Explanation on application of the practice	:	The Board regards the members of the AC possess the necessary skills and knowledge to discharge their duties in accordance with the terms of reference of the AC. The AC members are expected to devote sufficient time to update their knowledge and enhance their skill through appropriate continuing education programmes, so as to enable them to sustain their active participation during deliberations. In addition, during the AC meetings, the members were also briefed by the External Auditors on the following key areas: <ul style="list-style-type: none">• Financial Reporting developments;• Adoption of Malaysian Financial Reporting Standards; and• Other changes in regulatory environment	
	:		
Explanation for departure	:		
	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		
	:		

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has established a risk management framework which adopts a structured and integrated approach in managing key business risks. This framework together with the system of internal control are designed to manage the Group's risks within its risk appetite rather than to eliminate the risk of failure to achieve the Group's business and corporate objectives.</p> <p>The Group out-sourced the internal audit function to an independent professional consultancy firm during the financial year to review the internal controls of the Group. The Board is assisted by AC and Risk Management Committee (RMC) in reviewing the adequacy and effectiveness of the Company's risk management and internal control framework.</p> <p>The AC and RMC report their activities and provide recommendations to the Board on quarterly basis.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied	
Explanation on application of the practice	:	The features of the Group’s risk management framework and internal control system are set out in the Statement on Risk Management and Internal Control of the Annual Report 2022 and 2023.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Adopted		
Explanation on adoption of the practice	:	The Board has established the Risk Management Committee which the members consist of:		
		Chairman	Encik Abdul Menon Bin Arsad @ Abdul Manan Bin Arshad	Independent Non-Executive Director
		Member	Mr. Tay Ben Seng, Benson	Executive Director
		Member	Ms. Tang Yee Ling	Independent Non-Executive Director

Intended Outcome

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

Practice 11.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The internal audit function is outsourced to an independent professional consulting firm to provide an independent and objective assurance on the effectiveness of governance, risk management processes and internal control system of the Group.</p> <p>The internal auditors' independence is maintained by reporting functionally to the Board through the AC and administratively to Executive Management.</p> <p>Internal audit reports which are issued have to be tabled to the AC for review and the Executive Management is required to be present at AC meetings to answer and provide feedback on the audit findings and recommended improvements. During the financial year, the internal audit function carried out is set out in the AC Report in the Annual Report 2023.</p> <p>In addition, Executive Management is also required to present to the AC meeting, to update the status of significant matters and the changes in key processes that could give impact to the Group's operations.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 11.2

The board should disclose—

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

Application	:	Applied
Explanation on application of the practice	:	<p>The internal audit function is outsourced to an independent professional consulting firm, AlphaOne Governance Sdn. Bhd. (Alphaone). They are free from any relationships or conflict of interest, which could impair their objectivity and independence. Alphaone maintained its independence and impartiality in the performance of audit work.</p> <p>During the FPE 2023, the internal audit of the Group was carried out in accordance with a risk-based plan approved by the AC and guided by the International Professional Practices Framework (IPPF).</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is committed to ensure that communications to stakeholders is timely and factual and are available on an equal basis. The Board also aims to maintain a positive relationship with the different group of stakeholders through active two-way communication, and to promote and demonstrate a high standard of integrity and transparency through timely, accurate and full disclosure and to enhance the stakeholders' understanding of the Group, its core businesses and operations, thereby, enabling investors to make informed decisions in valuing the Company's shares.</p> <p>The Group has in place procedures to enable it to comply strictly with the disclosure requirements of all applicable legal and regulatory requirements. The Group has formed a Corporate Disclosure Committee to oversee the Group's corporate disclosure practices and ensure implementation and adherence to the Group's Corporate Disclosure Policy (CDP).</p> <p>The salient term of reference of Corporate Disclosure Committee are:</p> <ul style="list-style-type: none">i) maintain an awareness and understanding of governing disclosure rules and guidelines, including any new or pending developments;ii) ascertain whether corporate developments constitute material information and, if so, ensuring procedures outlined in the CDP are implemented to either ensure full and timely disclosure or keep the information confidential;iii) develop and implement procedures to regularly review, update and correct corporate disclosure information, including information on the Group's website;iv) bring the CDP to the attention of the Company's Directors, Management and staff on a regular basis;v) monitor for compliance with the CDP and undertaking reviews of any violations, including assessment and implementation of appropriate consequences and remedial actions; andvi) review the CDP at least once annually and updating as necessary and appropriate to ensure compliance with prevailing rules and guidelines.

	<p>In this respect, the Group leverages on a number of formal channels for effective dissemination of information to shareholders and other stakeholders, particularly through the Annual Report, announcements to Bursa Malaysia Securities Berhad, media releases, quarterly results analyst briefings, AGM, and the Group's website.</p> <p>Any shareholders' queries or concerns relating to the Group may be conveyed to our Executive Director at our principal place of business as detailed below:</p> <p>Lot 12.1, 12th Floor Menara Lien Hoe No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort 47410 Petaling Jaya Selangor Darul Ehsan Telephone No.: 03-7803 7333 Facsimile No.: 03-7803 7338</p> <p>Our Independent Non-Executive Director is designated by the Board to be the contact for consultation and direct communication with shareholders on areas that cannot be resolved through the normal channels of contact with the Executive Director.</p> <p>The Board is also of the view that the AGM is an important opportunity to meet shareholders and address their concerns. At the AGM, our Executive Director will provide a presentation of the Group's annual operating and financial performance, followed by a Questions and Answers session during which the Chairman encourages the shareholders' active participation, including clarifying and questioning the Group's strategic direction, business operations, performance and proposed resolutions.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The notice for the 19th AGM in 2022 was issued on 31 October 2022 whilst the AGM was held on 29 November 2022. The notice was served to shareholders of the Company for a period of at least 28 days.</p> <p>The Company’s 2022 Annual Report together with the Notice of the 19th AGM dated 31 October 2022 was available on Company’s Website.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied	
Explanation on application of the practice	:	All Directors attended the 19th AGM held on 29 November 2022. Barring unforeseen circumstances, all Directors (which include the Chairs of all mandated Board committees) shall be attending the forthcoming 20th AGM to address shareholders’ queries at the meeting. The external auditors will also be present at the meeting to answer shareholders’ queries on their audit process and report, the accounting policies adopted by the Group, and their independence.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate—

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company's annual general meeting (19th AGM) held on 29 November 2022 had enabled remote shareholders' participation and online remote voting by leveraging technology in accordance with Section 327(1) and (2) of the Companies Act (CA) 2016. The Company had conducted a fully virtual 19th AGM at the Broadcast Venue at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Gold & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan by leveraging technology in accordance with Section 327(1) and (2) of the CA 2016 and SC's Guidance and FAQs on the Conduct of General Meetings for Listed Issuers dated 18 April 2020.</p> <p>(a) <u>Remote shareholders' participation at the 19th AGM</u></p> <p>In view of the Covid-19 outbreak, shareholders were initially advised to register as participants of the Remote Participation and Voting (RPV) facilities which were available on website at http://rebrand.ly/FocusAGM. The registration for remote participation was opened until 2:30 p.m., on 27 November 2022. Detailed procedures were provided to shareholders in the Administrative Guide.</p> <p>(b) <u>Voting in absentia</u></p> <p>Online remote voting commences from 2.30 p.m. on 29 November 2022 until the close of the voting session as announced by the Chairman.</p> <p><u>Proxy</u></p> <p>If a shareholder is unable to attend the AGM, shareholder may appoint a proxy or the Chairman of the meeting as proxy.</p> <p><u>Poll Voting</u></p> <p>The voting at the 18th AGM will be conducted by poll in accordance with Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.</p>

	<p>The Company has appointed Workshire Share Registration Sdn. Bhd. as Poll Administrator to conduct the poll by way of electronic means and SharePolls Sdn. Bhd. as Scrutineers to verify the poll results.</p> <p><u>Pre-meeting submission of question to the Board</u> To administer the proceedings of the 19th AGM in orderly manner, shareholders might before the 19th AGM, submit questions for the Board to agm@focusdynamics.com.my no later than 27 November 2022, Wednesday at 2.30 p.m. The Board will endeavour to address the questions received at the 19th AGM.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>		
Application	:	Applied
Explanation on application of the practice	:	<p>The 19th AGM of the Company was a virtual meeting. The Company had issued an Administrative Notes which encompassed the guidance on the conduct of the virtual AGM on 31 October 2022.</p> <p>The shareholders were allowed to submit their questions electronically to agm@focusdynamics.com.my prior to the AGM, or used the Q&A platform to transmit the questions to the Board via RPV facilities during the live streaming of the AGM.</p> <p>The Chairman of the AGM had also informed the shareholders that they could submit their questions to the Board during the virtual AGM via RPV facilities and the answers of all the questions were addressed by the Executive Director before the commencement of poll voting.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>			
Application	:	Applied	
Explanation on application of the practice	:	<p>The 19th AGM was held by fully virtual basis through live streaming and online remote voting by using RPV facilities.</p> <p>The shareholders were allowed to submit their questions at any time from the day of the Notice of AGM and up to the end of the Q&A session.</p> <p>Questions posed by the shareholders had been presented to all participants during the AGM via RPV facilities.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
Application	:	Applied
Explanation on application of the practice	:	The minutes of general meeting had been circulated to shareholders no later than thirty (30) business days after the general meeting.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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

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

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