

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 7086  
**COMPANY NAME** : ABLEGROUP BERHAD  
**FINANCIAL YEAR** : December 31, 2025

## OUTLINE:

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

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

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

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

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

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors ("Board") has the overall responsibility for overseeing the Group's business and performance, operation progress and affairs to ensure that the Group's objectives and shareholders' value are met.</p> <p>The Company's Board Charter defines the specific duties and responsibilities of the Board, amongst others. The Board Charter is available on the Company's website at <a href="http://www.ablegroup.com.my">www.ablegroup.com.my</a>.</p> <p>The Board delegates its specific oversight duties and responsibilities to the Committees of the Board, namely the Audit Committee ("AC"), Nomination Committee ("NC") and Remuneration Committee ("RC"), each operates under clearly defined terms of reference. The Chairman of the Board Committees reports to the Board the outcome of the Committees' meetings and recommendations of all matters considered at its meeting. The functions and activities of each Committee are elaborated in their respective report set out in the Annual Report 2025.</p> <p>The Board, together with the Management promotes good corporate governance culture within the organisation which reinforces ethical, prudent and professional behaviour amongst employees and Board members.</p> <p>The Board meets on a quarterly basis and additional meetings will be convened as required from time to time to consider urgent proposals or matters that require the Board's immediate decision. Quarterly meetings are scheduled in advance so that the Directors can plan ahead to ensure attendance at Board meetings. Quarterly performance reports alongside other operation updates are presented to the Board by Management for review and approval.</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 1.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairman of the Board is responsible for ensuring the integrity and effectiveness of the governance processes of the Board and will consult and discuss with the Board promptly over any matter of major concern.</p> <p>The Board, under the leadership of the Chairman, discharges their duties and works effectively and performs their responsibilities with all key and pertinent issues discussed in a timely manner. The Chairman encourages all Directors to participate during board discussion and share their views on the matters being tabled for review including the Company's affairs and issues and all Directors are entitled to have access to Management and key personnel for matters requiring further details and clarifications.</p> <p>The Chairman ensures the conduct and working of the Board is in an orderly and effective manner and board meetings are managed effectively, leading the Board in its collective oversight of the management, facilitating active discussion and participation by all Directors prior to decision making and ensures that sufficient time is allocated to discuss all relevant issues at Board meetings.</p> <p>The Chairman represents the Board to the shareholders and also maintains good contact and effective relationships with external parties, investing public, regulatory agencies and other stakeholders.</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 positions of the Chairman and Managing Director are held by different individuals.</p> <p>There is a clear and distinct division of responsibilities between the Chairman and the Managing Director to ensure appropriate balance of power and role, responsibility and accountability at the Board level.</p> <p>The Chairman is primarily responsible for ensuring the effective conduct and functioning of the Board besides providing leadership for the Board whilst the Managing Director manages and oversees the daily business and operations of the Group; drives and provides strategic direction and guidance and ensures effective implementation of Board policies and procedures.</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> :	Mr Yeoh Chong Keat, the Chairman of the Board, is also the Chairman of the RC of the Board.  The Board agrees that as a member of the Board Committees, the Chairman of the Board did not dominate any of the discussion at the Board Committees level. Recommendations from these Board Committees are submitted to the Board for final consideration, deliberation and collective decision.
	The Board took cognisance of this Practice and opined that with only 6 members on the Board and taking into account the fact that matters within the purview of the said Board Committees are matters reserved for the collective decision of the Board, there is adequate check and balance in the boardroom.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b> :	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 1.5

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 continues to be supported by the Company Secretary who is a member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and holder of practicing certificate pursuant to the requirements of the Companies Act 2016. The Board has full and unrestricted access to the experienced Company Secretary in ensuring the effective functioning of the Board. The Company Secretary plays an advisory role and keeps the Board abreast of statutory and regulatory requirements, corporate governance practices and other relevant rules or guidelines that govern the activities of the Company from time to time.</p> <p>The Company Secretary is also responsible for advising the Directors of their legal duties and obligations including duties to disclose interest in securities, any conflict of interest in transactions involving the Group, prohibition on dealing in securities, amongst others.</p> <p>Prior to the Board and Committees meetings, the Company Secretary ensures that meetings agendas are disseminated to the Directors and Committee members and coordinate with Management in the compilation of meetings papers in a timely manner so as to allow the Directors to have adequate time to review and be prepared for discussion to ensure effective proceedings of the meetings.</p> <p>The Company Secretary organises and attends all Board and Board Committee meetings as well as general meetings of shareholders and is responsible for ensuring that the meetings are properly convened with the presence of requisite quorum and that accurate and proper records of the proceedings and/or resolutions passed are taken accordingly. After the conclusion of the meetings, the Company Secretary will follow up with Management on the implementation of decisions made by the Board where relevant, including any statutory filings or notifications arising from the decisions made by the Board at the meeting.</p> <p>The appointment and removal of the Company Secretary shall be the decision of 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

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>Prior to the scheduled Board and Board Committees meetings, relevant meeting papers including the financial results, minutes of previous meetings, reports of the external and/ or internal auditors, business and operations reports, as well as updates on the development of statutory regulations and requirements, where applicable, will be circulated together with the meeting agendas at least three (3) days before the date of the meetings to enable the Directors to review and consider the matters to be tabled to facilitate effective review and discussion at the meetings.</p> <p>Draft minutes of the meetings would be circulated by the Company Secretary to the Board of Directors and Committee members within a reasonable period for their review and comments. The minutes will be tabled at the subsequent meetings of the Board and Board Committees for approvals and entered in the respective minutes book accordingly.</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 demarcation of responsibilities between the board, board committees and management.

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

### Practice 2.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board Charter outlines the processes and procedures for the Board including Board membership, composition of Board Committees and respective responsibilities in discharging their stewardship effectively and efficiently, amongst others. The Board Charter and the Terms of Reference of the AC, NC and RC are available on the Company's website.</p> <p>The Board Charter is reviewed and updated periodically to remain relevant to existing rules and regulations as well as standards of corporate governance.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 3.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group has in place a Code of Conduct and Ethics which governs the conduct of all the Group employees including the Boards members with the aim to cultivate good ethical conduct, and enhance the standard of corporate governance, amongst others.</p> <p>The Code of Conduct and Ethics is based on the core principles of integrity, transparency, fairness, accountability and contributing towards the social and environmental growth of the surroundings in which it operates. The Code of Conduct and Ethics is formulated to enhance the standard of corporate governance and corporate behaviour by establishing a standard of ethical behavior for Directors based on acceptable beliefs and values.</p> <p>The Code of Conduct and Ethics also sets standards for the employees within the Group to promote professionalism and improve the competency of Management and employees at all times. The Group is committed to providing a safe and healthy work environment to all employees and that health and safety protection and support is provided to workers and employees at work places.</p> <p>The Code of Conduct and Ethics is published on the Company's website.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

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

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

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

### Practice 3.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company, through its formalised Whistleblowing Policy, recognises that a genuine commitment to detecting and preventing actual or suspected unethical, unlawful, illegal, wrongful or other reportable misconduct must include a mechanism that enables employees and other stakeholders to raise concerns freely and in good faith, without fear of reprisal or intimidation.</p> <p>The Whistleblowing Policy fosters an environment that engenders integrity, transparency and fairness to all employees and where genuine concerns related to possible improprieties in the matter of financial reporting, compliance and other malpractices can be objectively investigated and addressed appropriately.</p> <p>The Group has adopted a zero-tolerance policy against all forms of bribery and corruption; and in its anti-corruption efforts, had established and implemented the anti-bribery and anti-corruption action plans to prevent the occurrence of corrupt practices in relation to the business dealings and activities of the Group.</p> <p>The Group's Anti-Bribery and Anti-Corruption Policy inter-alia, sets out the commitment of the Group to the prevention, deterrence and detection of fraud, bribery and all other corrupt business practices. The Policy applies to all companies and employees within the Group, the Board of Directors and all third parties, including but not limited to contractors, vendors, suppliers, agents, consultants, business partners and any person associated / dealings with the Group.</p> <p>The Whistleblowing Policy, Anti-Bribery and Anti-Corruption Policy are published on the Company's website.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

## Intended Outcome

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

### Practice 4.1

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

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The integration of sustainability practices across the operations of the Group is driven from the top, where the Board oversees the Group's sustainability initiatives and strategies including long-term sustainability practices covering economic, environmental and social ("EES") as well as the governance ("ESG") aspects. The Board is supported by the Managing Director who oversees and monitors the implementation of sustainability strategies and performances by the Management team.</p> <p>In its ongoing oversight effort, the relevance of the material EES risks and opportunities was reassessed by the Board and Management during the financial year ended 31 December 2025 benchmarked against the sustainability reporting guidelines, reporting framework and standards.</p> <p>The Group has prioritised 2 of the 17 United Nations Sustainable Development Goals ("UN SGDs") to deliver meaningful impact through its core business.</p> <p>During the financial year 2025, a total of 13 material sustainability matters significant to the Group as listed below were reviewed:</p> <ol style="list-style-type: none"><li>1. Energy Management and Carbon Emissions;</li><li>2. Waste Management;</li><li>3. Water;</li><li>4. Compliance;</li><li>5. Workplace Health and Safety;</li><li>6. Anti-Bribery and Anti-Corruption;</li><li>7. Workplace Diversity;</li><li>8. Customer Satisfaction and Brand Reputation;</li><li>9. Data Privacy and Cybersecurity;</li></ol>

	<p>10. Labour Practices and Standards;  11. Community;  12. Employee Welfare; and  13. Supply Chain Management.</p> <p>Following the review, the 2025 Materiality Matrix was developed to reflect the current priorities and interests of the stakeholders. The matrix serves as a sustainability lens in evaluating the Group's business priorities and strategic focus. It provides a balanced perspective of the Group's operations, aligning short-term business objectives with its long-term vision for resilience and sustainable growth.</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 sustainability strategies of the Group are developed, reviewed and monitored in ways that it will contribute to long term business growth and value creation. The long-term sustainability approach aims to manage material sustainability risks and opportunities which entails doing business ethically and responsibly and committed towards engagement with stakeholders to better understand and meet their expectations.</p> <p>The Group recognises the importance of understanding and addressing the stakeholders' concerns and issues in supporting long-term business sustainability; and maintain continuous stakeholders' engagements through regular interaction and dialogue.</p> <p>From time to time, the Group engages with the following groups of stakeholders through meetings, reviews, discussions, calls and focus group sessions to better identify and understand their sustainability expectations and concerns:-</p> <ul style="list-style-type: none"> <li>• Employees</li> <li>• Directors</li> <li>• Investors and shareholders</li> <li>• Customers</li> <li>• Suppliers (including contractors)</li> <li>• Senior management</li> <li>• Government and regulators</li> <li>• Community/Society</li> </ul> <p>Further details of the key areas of interests and methods of engagement with the internal and external stakeholders are set out in the Sustainability Statement in the Company's Annual Report 2025.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

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

### Intended Outcome

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

### Practice 4.3

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board and Management ensure that EES-related considerations are embedded into the Group’s business strategies and operations and monitors key sustainability matters and issues to address sustainability risks and opportunities.</p> <p>The Company is fully aware of the challenges ahead and threat posed by climate change and related risks alongside the impact to all including the operations and long-term sustainability of the Group; and acknowledges the critical role the Company has to play and responsibilities towards addressing the climate change. Material matter ‘Energy Management and Carbon Emissions’ is the top priority from the material assessment and matrix of the Company.</p> <p>The Board is cognisance that the Directors should undertake continuous training and development programmes to keep abreast with changes in regulatory, corporate governance and sustainability issues relevant to the Group and its business, including the training programme on sustainability-related matters, as well as risk and opportunities prescribed by the regulatory authority.</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 4.4

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>	:	Through the annual evaluation performed by the Nomination Committee in respect of the financial year 2025 on the Board, Board Committees and individual Directors, the review of the performance of the Board and senior management in relation to the management of the Company's material matters on ESG, including sustainability risks and opportunities was considered.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 4.5- Step Up**

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

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

<b>Application</b> :	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 5.1

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>During the year under review, the Board, on the recommendation of the Nomination Committee, approved the appointment of Ms. Ho Yi Hui as an Independent Non-Executive Director of the Company, as well as a member of the AC and NC effective from 15 August 2025. In arriving at its decision, the Board had duly considered the existing board composition, including diversity consideration, and the required mix of skills, experience and suitability. The appointment of Ms. Ho is expected to strengthen the Board oversight and enhance the effectiveness of deliberations at both the Board and Board Committees levels. The NC and Board were satisfied that the existing size, structure and composition of the Board and its Committees remain appropriate, with a balanced mix of skills, attributes and core competencies to support the effective discharge of the Board's duties and responsibilities.</p> <p>The Nomination Committee also reviewed the annual retirement and re-election of Directors pursuant to the Company's Constitution taking into consideration satisfactory evaluation of the performance of the Board and individual Director measured against the fit and proper criteria.</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

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>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Board has six (6) members, comprising the Managing Director, two (2) Independent Non-Executive Directors and three (3) Non-Independent Non-Executive Directors. The Independent Directors comprise one-third (1/3) of the composition of the Board.	
		The Board is satisfied that the Independent Non-Executive Directors bring their independent and objective view and judgment to Board deliberation and decision-making process. Nonetheless, the Board may consider appointing additional independent director when necessary.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	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 5.3

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>	:	As of 31 December 2025, none of the Independent Directors of the Company have served a cumulative term of more than nine (9) years.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.4 - Step Up**

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

*Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.*

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

## Intended Outcome

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

## Practice 5.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group practices non-discrimination in any form, whether based on age, gender, ethnicity or religion, throughout the organisation. This includes the selection of the members of the Board and senior management.</p> <p>In addition, the Group believes it is importance that the Board and senior management personnel is composed of the best-qualified individuals who possess the requisite knowledge, experience, independence to ensure that the Board functions effectively and is able to discharge its duties in the best interests of the Company and shareholders.</p> <p>The NC is delegated with the responsibility of assessing and recommending to the Board, suitable candidates for appointment as Directors, after performing fit and proper assessment and considering, among others, the candidates' background, expertise, experience, character, and professionalism as set out in the Directors' Fit and Proper Policy.</p> <p>Together with the NC, the Board reviews of the composition of the Board annually to ensure that they remain diverse and effective in the discharge of duties and responsibilities.</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 5.6

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>In identifying suitably qualified candidate for appointment to the Board, the Board may consider the recommendations from the existing board members, the Management and/ or major shareholder as well as from independent sources.</p> <p>The Board is responsible for determining the appropriate size of the Board and the appointment of new director is a matter for consideration and decision by the Board, upon the assessment on the fitness and suitability of the proposed new director with reference to the fit and proper criteria by the NC.</p> <p>During the financial year under review, the NC had reviewed the recommendation of Management and recommended to the Board the appointment of Ms. Ho Yi Hui as an Independent Non-Executive Director of the Company, as well as a member of the AC and NC effective from 15 August 2025. In arriving at its consensus decision, the Board had duly considered the existing board composition, including diversity consideration, and the required mix of skills, experience and suitability. The appointment of Ms. Ho is expected to strengthen the Board oversight and enhance the effectiveness of deliberations at both the Board and Board Committees levels. The NC and Board were satisfied that the existing size, structure and composition of the Board and its Committees remain appropriate, with a balanced mix of skills, attributes and core competencies to support the effective discharge of the Board's duties and responsibilities.</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 5.7

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>For individuals standing for election as Directors of the Company (excluding directors standing for a re-election), the Board ensures that shareholders are provided with the necessary information including details of any interest and the position of the proposed directors in order to make an informed decision on the appointment of directors.</p> <p>The profiles of the Directors standing for re-election including their age, gender, tenure of service, directorships in other companies, working experience and any conflict of interest as well as their shareholdings in the Company, if any, are provided in Directors' Profile section in the Annual Report 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>	:	Mr Loi Heng Sewn, an Independent Non-Executive Director, is the Chairman of the NC.	
<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>	:	With the appointment of Ms. Ho Yi Hui as an Independent Non-Executive Director of the Board, the Company have two (2) female Directors on its Board, which translate to 33.33% female composition.	
<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 is committed to provide a fair and equal opportunities and nurturing diversity in the boardroom and workplace. The Board acknowledged that Board membership should be determined based on a candidate's skills, experience, and knowledge in areas identified by the Board. The Company is in compliance with the Listing Requirements of Bursa Securities by having at least a woman Director on the Board.</p> <p>The Board will continue to ensure the development of diversity in senior management roles within the Group and supports and oversees the Group's objective of increasing the representation of female executives in senior positions, while developing opportunities to ensure unbiased career progression opportunities.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

## Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>The NC performed annual evaluation of the Board, Board Committees and each Director through questionnaires and the outcomes were reported to the Board for review and/ or consideration of any required actions.</p> <p>For the financial year under review, the NC and Board have open discussions on the assessment and were satisfied that the performance of the current Board, with an appropriate mix of knowledge, skills, attributes and core competencies were adequate to enable the Board to discharge its duties and responsibilities effectively, and that all the Board Committees were assessed to be effective as a whole in discharging their roles and responsibilities.</p> <p>All assessments and evaluations carried out by the NC in the discharge of all its functions were properly recorded and documented.</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 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>During the FYE25, the RC reviewed the remuneration of the Managing Director and has recommended to the Board, after considering the request of the Managing Director to maintain the status quo of not receiving any remuneration for the period from January 2025 to December 2025 in his effort to relieve the financial burden and alleviate the cashflow position of the Group.</p> <p>The RC reviewed the Directors' fees and allowances of the Non-Executive Directors of the Company, consistent with the adopted Remuneration Policy that inter-alia provides the principles and guidelines for remuneration offered to the members of the Board. The remuneration of Non-Executive Directors should be appropriate having regard to their memberships in Board Committee, contributions to the Company, taking into account factors such as effort and time committed, as well as their responsibilities as Directors and members of the Board.</p> <p>The Remuneration Policy would be reviewed and updated as and when required for effectiveness and made available on the Company's website.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	

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

The 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 Terms of Reference of the RC outlines the primary responsibility of the RC to review and determine the remuneration packages for the Executive and Non-Executive Directors of the Company.</p> <p>The adopted Remuneration Policy seeks to ensure that the Company provides a well-balanced and reasonable compensation package that is focused on sustainable results and is aligned with the business performance of the Company.</p> <p>The RC carried out its duties in accordance with its Terms of Reference which is available on the Company's website.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 8.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	Details of the remuneration of the Directors of the Company for the financial year ended 31 December 2025 disclosed on named basis are set out below.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Yeoh Chong Keat	Non-Executive Non-Independent Director	48	0	0	0	0	2	50	48	0	0	0	0	2	50
2	Loi Heng Sewn	Independent Director	36	0	0	0	0	2	38	36	0	0	0	0	2	38
3	Cheong Marn Seng	Non-Executive Non-Independent Director	36	0	0	0	0	2	38	36	0	0	0	0	2	38
4	Chong Wei Koon	Non-Executive Non-Independent Director	36	0	0	0	0	2	38	36	0	0	0	0	2	38
5	Ho Yi Hui	Independent Director	13.5	0	0	0	0	1	14.5	13.5	0	0	0	0	1	14.5
6	DatoqLim Kim Huat	Executive Director	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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>	:	Not applicable - all members of senior management are members of the board	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	Please provide an explanation for the departure.	
	:	Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	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.

<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>	:	The Chairman of the AC and the Chairman of the Board are held by different individuals.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The External Auditors Policy outlines the guidelines and procedures for the AC to review, assess and monitor the performance, suitability, objectivity and independence for appointment or re-appointment of the External Auditors of the Company.</p> <p>The Terms of Reference of the AC and the External Auditors Policy amongst others, provides that former partners of the external audit firm of the Company will not be offered employment by the Company or any of its related corporations or being appointed as a member of the AC within three (3) years of undertaking any role on the audit. This applies to all partners of the audit firm and/ or the affiliate firm (including those providing advisory services, tax consulting etc).</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 External Auditors Policy adopted by the AC sets out the guidelines and procedures for review and assessment of the suitability, objectivity and independence of the External Auditors.</p> <p>The formal and transparent arrangements to maintain appropriate relationship with the External Auditors of the Group includes undertaking of annual assessment to ascertain the suitability, objectivity, independence and professional scepticism of the External Auditors. The Auditors will highlight to the AC and the Board on matters require their attention during the course of the audit. The AC and Board place great emphasis on the objectivity and independence of the External Auditors in providing the auditors' reports to the shareholders.</p> <p>During the financial year ended 31 December 2025, the AC has conducted private sessions with the External Auditors without the presence of the Management on 21 February 2025 and 8 April 2025 to discuss amongst others, the audit approach and procedures to be performed, report of material matters relating to the audit and the assistance provided by the Management to the External Auditors. The AC noted that there were no major issues within the Group that requires the attention of the Committee.</p> <p>The AC was satisfied with the External Auditors' independence, suitability, and the quality and candour of the auditors' communication with the AC and 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>	:		
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**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>	:	Not Adopted
<b>Explanation on adoption of the practice</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 9.5

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 AC possess the necessary skills and qualifications to discharge their duties in accordance with its Terms of Reference.</p> <p>The members of the AC are financially literate with the requisite accounting qualification and are able to understand matters under the purview of the AC. All members of the Board including the AC undertake continuing development and education or training programs to keep themselves abreast of emerging issues and relevant developments in accounting and auditing standards, practices and rules, amongst others, for effective discharge of their duties and responsibilities.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

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

### Practice 10.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges its responsibility and re-affirms its commitment in maintaining a sound risk management and internal control systems to safeguard the interest of shareholders and the Group's assets. The responsibility of overseeing the adequacy and integrity of the Group's risk management and internal control systems is delegated to the AC who is empowered by its Terms of Reference to seek assurance on the adequacy and integrity of financial, operational and compliance control as well as internal control system and risk management procedures through independent reviews carried out by the internal audit function and management.</p> <p>The Board through the AC has established an ongoing process in identifying, evaluating and managing significant risks faced by the Group. This ongoing process which includes updating the risk management and internal control systems when there are changes in the business environment or regulatory guidelines is reviewed by the Board.</p> <p>The Board recognises that risk cannot be totally eliminated and the system of internal control instituted can only help to minimise and manage risk and provides reasonable assurance that assets of the Company and of the Group are safeguarded against material loss and unauthorised use and the financial statements are not materially misstated.</p> <p>The internal audit function of the Group was outsourced to Vaersa Advisory Sdn Bhd, an independent professional consultancy firm with the aim of providing independent and systematic reviews on the systems of risk management and internal control within the Group. The Internal Auditors conduct internal audit review based on the approved audit plans and provide independent and objective findings on the management of risks and processes as well as systems of internal control, and report to the AC accordingly at its scheduled meetings. The internal auditors have the responsibilities to evaluate and improve the effectiveness of risk management and the control processes where significant risks are identified, assessed and managed.</p>

	<p>For the financial year under review, the Board was satisfied that there were no material control deficiencies, losses or contingencies noted as the reported internal control weaknesses are considered to be at an acceptable level within the context of the Group’s business activities and environment.</p> <p>The Board together with the Management will continuously assess the adequacy and effectiveness of the Group’s system of risk management and internal controls and will take proactive measures to enhance the system.</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>	:	The main features of the risk management and internal control framework of the Group are set out in the Statement on Risk Management and Internal Control presented in the Company's Annual Report 2025.  The internal control and risk management framework are designed to manage rather than eliminate risks and to provide reasonable but not absolute assurance against any material misstatement or loss.
<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>	:	

### Intended Outcome

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

### Practice 11.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AC has been tasked to oversee and monitor the effectiveness of the Group's internal audit function and is supported by Vaersa Advisory Sdn Bhd, the outsourced Internal Auditors in discharging its duties and responsibilities. The Internal Auditors report functionally to the AC and provide independent and objective feedback on the adequacy, effectiveness and efficiency of the internal control system of the Group.</p> <p>The Internal Auditors, in performing internal audit review, have unrestricted access to the required information and documentation including the financial statements, operational reports, internal policies and procedures as well as corporate and governance processes, and report directly to the AC on all matters of internal control and audit.</p> <p>The Internal Auditors report to the AC their audit findings, recommendations of the corrective actions or improvement measures to be taken by Management together with Management's responses in relation thereto at the scheduled meetings. The Internal Auditors will conduct periodic follow-up reviews on the rectification and/ or status of implementation of their recommendations by the Management and report to the AC accordingly.</p> <p>During the financial year under review, the Internal Auditors undertaken internal audit reviews based on the adopted audit plans that covers amongst others, the review of the adequacy of operational control, risk management, compliance with established policies and procedures, laws and regulations. The Internal Auditors reported that there was no limitation of scope in respect of the audit conducted during the financial year under review and no matters of significance that need to be brought to the attention of the AC.</p> <p>Further details of the internal audit function are set out in the AC Report in the Annual Report 2025 of the Company.</p>
<b>Explanation for departure</b>	:	

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

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

## Intended Outcome

Companies 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>Vaersa Advisory Sdn Bhd, the outsourced Internal Auditors is a member of The Institute of Internal Auditors Malaysia (IIAM). In the course of performing the internal audit review for the financial year ended 31 December 2025, the Internal Auditors are adequately staffed and resourced and have unrestricted access to the AC, the Board and Management. The Internal Auditors are free from any relationships or conflicts of interest, which could impair their objectivity and independence on the internal audit activities. The Internal Auditors do not have any direct operational responsibility or authority over any of the activities it audits.</p> <p>The Internal Auditors applied the Committee of Sponsoring Organisations of the Treadway Commission's (COSO) Internal Control – Integrated Framework as a basis for evaluating the effectiveness of the Group's internal control systems. These involved walking through the processes and procedures, discussing with key staff, reviewing documentation as well as observation of the current practices.</p> <p>The number of resources deployed by the Internal Auditors for each internal audit review ranges from 3 to 4. The internal audit team is led by Mr. Quincy Gan Hoong Huat, a Chartered Member of the Institute of Internal Auditors Malaysia ("CMIIA") and a Fellow Member of the Chartered Certified Accountant ("FCCA"). Mr. Quincy has 20 years of hands-on experience in the fields of internal audit and risk management.</p> <p>The internal audit review is performed consistent with and meets the Standards for the Professional Practice of Internal Auditing and Code of Ethics of the IIAM and carried out in accordance with the approved internal audit plan which inter-alia encompasses review of identified business processes, material internal controls processes including compliance with the Company's policies, procedures and regulatory obligations and improvement measures to the internal control process were recommended accordingly.</p>

	The AC reviewed the internal audit reports presented by the Internal Auditors on the observations noted and considered the recommendations for improvements including any corrective actions, taking into account Management's responses and comments before receiving/ endorsing the appropriate action plans.	
<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 the importance of communication and timely dissemination of material information to its shareholders and stakeholders and these are done through the release of public announcements of its quarterly report and financial results, Annual Reports and Circulars of the Company.</p> <p>The Corporate Disclosure Policy of the Company sets out amongst others, the disclosure principles and handling of material information of the Group in a clear, timely and accurate manner as well as avoiding selective disclosure to the investing public.</p> <p>The general meetings of shareholders including annual general meeting (AGM) remain the principal forum for direct dialogue and interaction between the Board and the shareholders. The participation of shareholders at the AGM giving their views and feedback and seeking clarifications from Management on the Group's operations and business update and performance as well as exchange views is encouraged.</p> <p>The Company's policies and procedures, announcements released to the public, amongst other information are accessible on the Company's website.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

### Intended Outcome

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

### Practice 13.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The notice convening the 2025 Annual General Meeting (AGM) of the Company was given to the shareholders on 30 April 2025, 23 clear days before the AGM held on 23 May 2025, this is more than the requisite 21 days' notice as prescribed by the Companies Act 2016 and Main Market Listing Requirements of Bursa Securities.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 13.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	All members of the Board including the Chairman of the Board and Board Committees attended the physical AGM of the Company held on 23 May 2025, allowing shareholders to engage with the Board and Management directly, voicing their questions and concerns.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 13.3

Listed companies should leverage technology to facilitate.

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

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The 2025 AGM of the Company was physically held at Hotel Armada, Petaling Jaya, Selangor, a strategic location easily accessible and familiar to the shareholders of the Company.</p> <p>Shareholders who were unable to attend the AGM were entitled to appoint proxy/proxies to participate, speak and vote on their behalf at the General Meetings.</p> <p>The Board agreed that physical general meetings could facilitate effective face-to-face communication between the shareholders and the Board of Directors as there are better flow of conversation and communication on the business plan and performance of the Company, besides any clarification on the resolutions tabled at the meeting necessary for the shareholders to make informed voting decision.</p> <p>The Board took cognisance and will, where appropriate, consider leveraging technology to facilitate voting in absentia and remote shareholders' participation at general meetings of shareholders of the Company.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	Choose an item.

### Intended Outcome

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

### Practice 13.4

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> :	The Board including the Chairman and the Managing Director interacted with the shareholders at the AGM and all questions posted by the shareholders in relation to the business operation and performance of the Company were appropriately responded by the Managing Director and members of the Board.
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### Intended Outcome

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> :	Not applicable – only physical general meetings were conducted in the financial year
<b>Explanation on application of the practice</b> :	
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

**Intended Outcome**

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

**Practice 13.6**

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: Minutes of the 2025 Annual General Meeting of the Company was published on the Company’s website within 30 business days from the date of the AGM.
<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  
PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA  
MALAYSIA**

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

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