

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5665
COMPANY NAME : Southern Steel Berhad (“the Company”)
FINANCIAL YEAR : September 30, 2025

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors (“Board”) assumes responsibility for effective stewardship and control of the Company and has established terms of reference (“TOR”) to assist in the discharge of this responsibility.</p> <p>In discharging its responsibilities, the Board has established functions which are reserved for the Board and those which are delegated to management. The key roles and responsibilities of the Board are set out in the Board Charter and published on the Company's website at www.southsteel.com (“Website”). The key roles and responsibilities of the Board broadly cover reviewing and approving corporate policies and broad strategies, overseeing and evaluating the conduct of the Company and its subsidiaries’ (“the Group”) businesses, identifying principal risks and ensuring the implementation of appropriate systems to manage those risks, and reviewing and approving key matters such as financial results, investments and divestments, acquisitions and disposals, and major capital expenditure.</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	:	Applied
Explanation on application of the practice	:	<p>The Board is chaired by a Non-Executive Director. He leads the Board and ensures its smooth and effective functioning and has specific responsibilities as set out in the Board Charter as published on the Company's Website.</p> <p>Mr. Seah Kiin Peng currently serves as the Non-Independent Non-Executive Chairman of the Board, following his re-designation from Non-Independent Non-Executive Director on 12 February 2025.</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 1.3

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

Application	:	Applied
Explanation on application of the practice	:	There is a clear division of responsibilities between the Chairman of the Board and the Group Managing Director ("GMD"). This division of responsibilities between the Chairman and the GMD ensures an appropriate balance of roles, responsibilities and accountability.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

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'.

Application	:	Applied
Explanation on application of the practice	:	The Chairman of the Board is not a member of any of the Board Committees.
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	:	The Board is supported by three (3) Company Secretaries who are qualified to act under Section 235 of the Companies Act 2016. They are Members of the Malaysian Institute of Chartered Secretaries and Administrators and hold practising certificates issued by the Companies Commission of Malaysia. The Company Secretaries support the effective functioning of the Board, provide advice and guidance to the Board on policies and procedures, relevant rules, regulations and laws in relation to corporate secretarial and governance functions and facilitate effective information flow among the Board, Board Committees and senior management ("SM"). The Company Secretaries attend programmes and seminars to keep themselves abreast with, inter-alia, regulatory requirements, company law and corporate governance ("CG").
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 ensure that the Directors are well-prepared for discussions and decision-making, the agenda, together with meeting reports and reference materials, is disseminated electronically to the Directors in a timely manner prior to Board and Board Committee meetings.</p> <p>Directors are also provided with the minutes of previous meeting(s) for review within a reasonable period, before they are confirmed and adopted by the members of the Board or Board Committees at their respective meetings.</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 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 key roles and responsibilities of the Board are set out in the Board Charter, which is reviewed annually by the Board and published on the Company's Website.</p> <p>The Board Charter also clearly outlines the respective roles and responsibilities of the Board Committees, the Chairman of the Board, the Chief Executive Officer/GMD, individual directors, Non-Executive Directors and SM, as well as the matters reserved for and delegated by the Board.</p> <p>The Board Charter was last reviewed by the Board in November 2025.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	: Applied
Explanation on application of the practice	<p>The Board observes the Company's Code of Ethics for Company Directors ("Director Code"), as adopted by the Board. The Director Code will be reviewed as and when necessary by the Board and published on the Website.</p> <p>The Group is also committed to good business ethics and integrity as set out in the Group's Code of Conduct and Ethics ("SSB Code"). To this, the Group commits to a high standard of professionalism, ethics and integrity in the conduct of business and professional activities.</p> <p>The SSB Code serves as a set of guiding principles in the day-to-day activities of the Group and reminds employees to maintain at all times the highest standards of conduct and to always demonstrate professional and personal integrity in the conduct of business activities and in dealings with stakeholders, customers, colleagues and regulators.</p> <p>The SSB Code is applicable to:-</p> <ul style="list-style-type: none">• all employees who work in the Group – including, but not limited to, permanent, part-time and temporary employees, secondees, interns and industrial attachment students; and• any other persons permitted to perform duties or functions within the Group – including, but not limited to, contract and agency staff. <p>As the SSB Code forms part of the terms and conditions of employment, employees are required to maintain a high standard of professionalism and ethics in the conduct of their business and professional activities.</p> <p>Additionally, following the adoption of ISO 37001:2016 as the Group's Anti-Bribery and Corruption Management System to strengthen its anti-bribery and corruption practices, the Group has also established an</p>

	<p>Anti-Bribery and Corruption Policy (“ABC Policy”) as part of its commitment to conducting business ethically in compliance with the Malaysian Anti-Corruption Commission Act 2009 and all applicable anti-bribery and corruption laws of every country in which the Group operates. All employees, Directors (executive and non-executive) and any person who performs services for and on behalf of the Group, which includes contractors, subcontractors, consultants, suppliers, agents, intermediaries and representatives of the Group are required to adhere to the ABC Policy.</p> <p>Pursuant to the Group’s Self- Declaration Policy, all employees are required to submit an annual declaration to confirm their compliance with the SSB Code and the ABC Policy. New employees are also required to make the self-declaration upon joining.</p> <p>The Director Code, SSB Code and ABC Policy are available on the Company’s Website.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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	:	The Company has a Whistleblowing Policy, and it provides a structured channel for all employees of the Group to report any concern on any improper conduct or wrongful act committed within the Group. The Whistleblowing Policy will be reviewed as and when necessary by the Board and published on the Company'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 recognises that strong sustainability governance is fundamental to long-term business resilience and stakeholder value creation. Accordingly, the Group has implemented various initiatives to address sustainability risks and opportunities in an integrated and strategic manner, supporting its long-term strategy and success.</p> <p>The Board provides strategic oversight of the Group's sustainability direction and ensures that environmental, social and governance ("ESG") considerations are effectively embedded across the Group's operations, strategy and risk management.</p> <p>In line with its commitment to responsible steel manufacturing and the transition towards low-carbon operations, a Sustainability Steering Committee ("SSC") was established since 2017 to integrate sustainability considerations into day-to-day operations and ensure the effective implementation of sustainability strategies and plans.</p> <p>The SSC, chaired by the GMD and comprising SM members, was established to assist the Board in fulfilling its oversight responsibilities for sustainability governance (including setting the Company's sustainability policies, strategies, priorities and targets) and in monitoring ESG strategy targets, measures and performance.</p> <p>The SSC reports quarterly to the Board on key ESG developments and progress against the Group's sustainability roadmap and targets, including carbon emission reduction, resource efficiency, safety and community engagement.</p> <p>The Board also oversees the Group's compliance with Bursa Malaysia Securities Berhad ("Bursa Securities")'s enhanced sustainability disclosure requirements and its alignment with the International Sustainability Standards Board's IFRS S1 and IFRS S2 frameworks. The Board is pleased to announce that the Company achieved a FTSE4Good</p>

	ESG Rating score of 4.40 for the financial year 2025, reflecting continuous improvement in its sustainability practices and governance. The Group continues to operate in a sustainable manner and seeks to contribute positively to the well-being of stakeholders.
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 Group believes that meaningful partnerships with businesses, society and governments can enable collective actions and develop opportunities to achieve a healthier planet and a more inclusive and sustainable economy.</p> <p>The Group engages with its internal and external stakeholders through a variety of channels from time to time. The feedback and insights received are vital to the Group and are integrated into its business strategy and sustainability approach.</p> <p>Further details are available in the "Sustainability Statement" section of the Company's 2025 Annual Report.</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 receives regular reports from the SSC and provides oversight of sustainability issues relevant to the Group by putting in place appropriate sustainability strategies, priorities and targets to support the objectives of the Group.</p> <p>Additionally, the Company has put in place a Directors' Training Policy, which is reviewed by the Board as and when necessary, to keep its Directors abreast of the latest developments in the business environment and to hone their skills and knowledge.</p> <p>During the financial period from 1 July 2024 to 30 September 2025 ("FY 2025"), the Directors attended various training sessions to ensure they remain abreast of and understand sustainability issues relevant to the Group, including climate-related risks and opportunities.</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	:	Applied
Explanation on application of the practice	:	<p>The performance of the Board shall be assessed annually, including its effectiveness in achieving the Company's ESG objectives and in providing strategic guidance on managing material sustainability risks and opportunities.</p> <p>In addition, the assessment of SM includes, among other factors, its effectiveness in managing sustainability risks.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Adopted
Explanation on adoption of the practice	:	To drive and monitor the implementation of sustainability initiatives across the Group, the Board is supported by the SSC. The SSC, chaired by the GMD, comprises SM representatives from the Group's key operating companies.

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>During FY 2025, the Nominating Committee ("NC") conducted an annual review of the composition of the Board, focusing on its appropriate size, the required mix of skills, experience and core competencies, as well as the balance of Independent Directors ("ID" or "IDs").</p> <p>The NC also assessed the tenure of each Director, as well as the fitness and propriety of Director(s) subject to re-election at the annual general meeting ("AGM") in accordance with the Company's Directors' Fit and Proper Policy, considering their character, experience, integrity, competence and time commitment, in compliance with Paragraph 2.20A of the Main Market Listing Requirements ("Main LR") of Bursa Malaysia Securities Berhad ("Bursa Securities").</p> <p>Upon a satisfactory evaluation, the NC shall recommend to the Board the re-election of the Directors subject to re-election for the Board's recommendation to shareholders' approval at the AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board currently comprises six (6) Directors, three (3) of whom are independent, which is in compliance with Bursa Securities' Main LR, requiring a minimum of two (2) Directors or one-third (1/3) of the Board, whichever is higher, to be IDs.</p> <p>With half of its members being IDs, the Board also complies with the Company's Policy on Board Composition, which mandates that at least half of the Board be IDs.</p> <p>The profiles of the Board members are set out in the "Profile of Board of Directors" section of the Company's 2025 Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board takes cognisance of the provisions of the Malaysian Code on Corporate Governance (“MCCG”), which state that the tenure of an ID should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an ID may continue to serve on the Board, subject to re-designation as a Non-ID. The MCCG further provides that if the Board wishes to retain an ID who has served a cumulative term of nine (9) years or more, shareholders' approval shall be sought annually, with justification, through a two-tier voting process.</p> <p>Accordingly, the Company has in place an Independence of Directors Policy (“ID Policy”), which sets out the criteria for assessing the independence of IDs. The Board applies these criteria upon admission, annually and when any new interest or relationship develops. The ID Policy includes a requirement on the tenure of an ID, stating that the tenure of an ID shall not exceed a cumulative term of nine (9) years from the date of his or her first appointment in the Company.</p> <p>The tenure of all IDs on the current Board does not exceed nine (9) years.</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 5.4 - 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.

Application	: Adopted
Explanation on adoption of the practice	: The Company has in place an ID Policy that sets out, among others provisions, a requirement on the tenure of an ID, stating that the tenure of an ID shall not exceed a cumulative term of nine (9) years from the date of his or her first appointment in the Company. The ID may retire at the AGM immediately preceding the nine-year term, if a suitable replacement has been identified, or upon the expiry of the nine-year term.

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 Company has in place a Directors' Fit and Proper Policy ("Fit and Proper Policy"), which serves as a guiding mechanism and framework for the NC and the Board in their review and assessment of candidates for new appointments, as well as Directors seeking re-election.</p> <p>The Fit and Proper Policy sets out the criteria used to assess the fitness and propriety of Directors, to uphold Board quality and integrity, and to aid the Company in complying with Paragraph 2.20A of the Main LR for the appointment and re-election of Board members.</p> <p>The nomination, assessment and approval process for new appointment of Directors, in accordance with the Fit and Proper Policy, shall be as follows:-</p> <pre>graph LR; A[Identification of Candidate(s)] --> B[NC meeting with Candidate(s)]; B --> C[Assessment by NC
• Assessment against Assessment Criteria
• Declarations by Candidate(s)
• Independent background checks
• If assessed to be suitable, recommendation by the NC to the Board]; C --> D[Deliberation and decision by the Board]</pre> <p>All candidates to the Board are assessed by the NC prior to their appointments, taking into account the assessment criteria, inter-alia, the candidates' character and integrity, the strategic and effective fit of the candidates for the Board, the overall desired Board composition including Board diversity and the required mix of skills, expertise, knowledge and experience in the industry, market and segment to enhance the Board's overall effectiveness and having regard to the candidates' attributes, qualifications, management, leadership, business experience, independence, conflict of interest or potential conflict of interest and time commitment, before they are recommended to the Board for approval.</p>

	<p>The Company also maintains a pool of potential Board candidates from internal and external introductions, recommendations and independent sources with Director databases in its search for suitable Board candidates.</p> <p>In the case of the Chief Executive, the NC will take into account the candidate's knowledge and experience in the relevant industry, market and segment.</p> <p>Similarly, in evaluating any new appointment of SM, the Company is guided by the Group's Recruitment Policy where all potential candidates are given equal opportunity regardless of gender, race, and religion and/or whether or not one has disability. SM positions are awarded based on qualifications, experience and potential.</p> <p>Generally, in the assessment and selection of SM, the following factors will be considered in determining the role-profile fit:-</p> <ul style="list-style-type: none"> (a) skills, knowledge, expertise and industry experience; (b) past contributions and performance; and (c) character, professionalism and integrity. <p>Each candidate for a SM role must go through a screening process, during which his/her competency and potential are assessed through a mix of interviews, aptitude tests, competency and/or psychometric assessments, in order to ensure that the candidate has the right personal profile to succeed in the role.</p> <p>Pre-employment and post-employment screenings are also conducted to assess the past performance, conduct, and behaviour of the selected candidate.</p> <p>For SM positions, final approval for hiring shall be obtained from the GMD, in addition to the review and approval of the respective Human Resource Hiring Manager, to ensure that hiring decisions are made objectively and in the best interests of the Company, taking into account multiple perspectives and insights. Where required, Board approval is also obtained for certain roles.</p>
Explanation for departure :	
Measure :	

Timeframe	:		
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Intended Outcome

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

Practice 5.6

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	: In identifying suitable Board candidates, the Company also maintains a pool of potential Board candidates drawn from internal and external referrals, recommendations and independent sources, including Director databases, such as those for women Directors.
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 details and profiles of each Director are set out in the “Profile of Board of Directors” section of the Company’s 2025 Annual Report, and the disclosure includes all information required under the Main LR.</p> <p>The performance of retiring Directors who are recommended for re-election at the forthcoming AGM would be assessed through evaluations by the Board and Board Committees. This assessment also considers the independence of any IDs, where applicable.</p> <p>In addition, the relevant information on the Director(s) standing for re-election at the AGM shall be provided under the explanatory notes in the Notice of the AGM, together with a statement of the Board explaining its recommendation for their re-election.</p>
Explanation for departure	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	
Timeframe	

Intended Outcome

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

Practice 5.8

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

Application	:	Applied
Explanation on application of the practice	:	The NC of the Company, which comprises exclusively IDs, is chaired by Ms. Chin Siew Siew, an Independent Non-Executive Director.
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 5.9

The board comprises at least 30% women directors.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the merits of Board Diversity in enhancing the collective skills, perspectives and strengths of the Board. A Board Diversity Policy has been put in place for this purpose.</p> <p>Currently, there are two (2) women Directors, representing 33.33% female participation on the Board, which is also in line with the Company's Board Diversity Policy.</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 5.10

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has in place a Board Diversity Policy that sets appropriate targets for diversity on the Board, including gender ethnicity and age balance.</p> <p>Similarly, the Company has Recruitment Policy that guides the appointment of SM. In evaluating any new appointment of SM, the Company is guided by the Group's Recruitment Policy where all potential candidates are given equal opportunity regardless of gender, race, and religion and/or whether or not one has disability. SM positions are awarded based on qualifications, experience and potential.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Stakeholders are able to 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>A formal evaluation process has been put in place to assess the effectiveness of the Board as a whole, Board Committees as a whole and the contribution and performance of each individual Director, Board Committee member, Chief Executive and Chief Financial Officer ("CFO") on an annual basis ("Annual Board Assessment").</p> <p>For newly appointed Chairman, Directors, Chief Executive and CFO, the Annual Board Assessment will be conducted at the next annual assessment exercise following the completion of one (1) year of service.</p> <p>Assessment criteria for the Board as a whole include, inter-alia, the effectiveness of the Board's composition in terms of size and structure, vis-à-vis the complexity, size, scope and operations of the Company, the core skills, competencies and experience of the Directors, and the Board's integrity, competency, responsibilities and performance.</p> <p>The assessment criteria for the Board Committees include the effectiveness of each Board Committee's composition in terms of the mix of skills, knowledge and experience required to carry out their respective roles and responsibilities as set out in the respective Board Committees' TOR, as well as the contributions of the Board Committee members.</p> <p>Each individual Director is assessed on, inter-alia, the effectiveness of his or her competence, expertise and contributions. The Director's skills, experience, soundness of judgment, contributions to the development of the Company's business strategies and direction and analytical skills applied in the decision-making process are also taken into consideration.</p> <p>Upon completion of the evaluation process, a summary of the consolidated results of the Annual Board Assessment will be reviewed</p>

	by the NC and tabled to the Board. These results also form one of the criteria used by the NC in recommending to the Board the Director(s) who are standing for re- election at the AGM.
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

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

Practice 7.1

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

Application :	Departure
Explanation on application of the practice :	
Explanation for departure :	<p>The level of remuneration of Non-Executive Directors reflects the scope of responsibilities and commitment undertaken by them, industry benchmark as well as complexity of the Group's businesses.</p> <p>The Group adopts a total compensation philosophy that promotes a high-performance culture, alignment with corporate values and both vertical and horizontal equity. The rewards strategy focuses on providing a competitive remuneration and benefits package, as well as ample career progression opportunities for employees.</p> <p>The rewards framework focuses on a balanced and right pay mix to achieve the desired long-term business performance. The framework includes base pay, cash allowances, performance-based variable pay, long-term incentives, benefits and other employees' programmes.</p> <p>The rewards framework ensures that employees are paid competitively against the industry and talent market the Company is operating in, delivered via a combination of cash and non-cash elements such as shares or share-linked instruments.</p> <p>Key performance indicators and key results areas ("KRA") of employees are measured and tracked diligently to ensure strong alignment of employee output to the overall business strategy and direction of the Company.</p>
	<p>The remuneration process and structure for the GMD and SM are outlined below:-</p>

<p><u>Remuneration Process</u></p> <p>Another critical aspect of the remuneration delivery process is the review and approval structure. Each year, the variable remuneration pool is reviewed and approved by the management of the Group. The pool is then allocated to the business units and functions based on their respective performance.</p> <p>The remuneration of each individual is subsequently formulated based on the performance of the Strategic Business Group, the operating company, the relevant department and the individual's own contributions.</p> <p>The remuneration of the GMD and SM is also tabled to the Board for consideration and approval.</p> <p><u>Remuneration Structure for the GMD and SM</u></p> <p>The remuneration structure for the GMD and SM varies according to job grade and operational/functional responsibilities and is weighted towards performance-related elements that take into account individual, functional and corporate performance. The components of the remuneration include the following:-</p> <p>(a) Fixed Remuneration</p> <p>The fixed remuneration includes the following:-</p> <p>(i) basic salary (including statutory contributions to the Employees Provident Fund), which is determined based on duties, responsibilities and job grade; and</p> <p>(ii) other fixed components.</p> <p>(b) Variable Remuneration</p> <p>The variable remuneration depends on the performance of the Group for the relevant financial year, which is determined based on individual KRAs and aligned with the Group's vision, as guided by the Group Reward Handbook. It includes the following:-</p> <p>(i) cash based;</p> <p>(ii) share and share-linked instruments; and</p> <p>(iii) other variable components.</p>	<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>
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Measure	:	The Board will work towards formalising its remuneration policy and procedures for Directors and SM.
Timeframe	:	Choose an item.

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established a Remuneration Committee ("RC"), comprising all IDs, to assist the Board in assessing the remuneration packages of Directors and key SM.</p> <p>An RC Charter has been put in place, setting out, inter-alia, the objectives, composition, meeting procedures and TOR of the RC, which is reviewed by the Board as and when necessary. The TOR of the RC are published on the Company's Website.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 8.1

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

Application	: Applied
Explanation on application of the practice	<p>The remuneration received/to be received by each Director for FY 2025 is set out in the table below.</p> <p>Notes:-</p> <p>During FY 2025, the Directors and officers of the Group were covered under Directors and Officers Liability Insurance in respect of liabilities arising from acts committed in their respective capacity as, inter-alia, Directors and officers of the Group, subject to the terms of the policy. The total coverage under the Directors and Officers Liability Insurance for the Directors and officers of the Group was RM10 million. The total premium paid by the Group for this insurance was RM14,900.</p>

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	Mr. Seah Kiin Peng	Non-Executive Non-Independent Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Mr. Zhang Cheng	Executive Director	-	-	466	-	15	1	482	-	-	466	-	15	1	482
3	Mr. Yeoh Choon Kwee	Executive Director	-	180	1,320	255	106	1	1,862	-	180	1,320	255	106	1	1,862
4	YBhg. Dato' Tan Ang Meng	Independent Director	198	-	-	-	-	-	198	198	-	-	-	-	-	198
5	Ms. Chin Siew Siew	Independent Director	180	-	-	-	-	-	180	180	-	-	-	-	-	180
6	YBhg. Datuk Ir. Rosaline Ganendra	Independent Director	180	-	-	-	-	-	180	180	-	-	-	-	-	180
7	YBhg. Dato' Dr. Tan Tat Wai (Resigned on 9 January 2025)	Non-Executive Non-Independent Director	42	-	-	-	-	-	-	42	-	-	-	-	-	42
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				
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				
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				
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				
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				
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				
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				

15	Input info here	Choose an item.	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 Board is of the view that it is not in the interest of the Group to disclose the detailed remuneration components of the top five (5) SM on a named basis in bands of RM50,000, due to confidentiality and security considerations. In addition, the Group operates in a highly competitive environment where talent retention is a significant challenge.</p> <p>As an alternative, the Company has disclosed the remuneration of the top five (5) SM of the Group (who are not Directors or the GMD of the Company) from an alternative perspective, which is intended to achieve a similar outcome by categorising them as disclosed below for FY 2025:-</p> <table border="1"><thead><tr><th>Categories</th><th>Remuneration (RM'000)</th></tr></thead><tbody><tr><td>Salaries</td><td>3,373</td></tr><tr><td>Allowances</td><td>251</td></tr><tr><td>Bonuses</td><td>455</td></tr><tr><td>Benefits</td><td>12</td></tr><tr><td>Other emoluments</td><td>382</td></tr><tr><td>Total</td><td>4,473</td></tr></tbody></table>		Categories	Remuneration (RM'000)	Salaries	3,373	Allowances	251	Bonuses	455	Benefits	12	Other emoluments	382	Total	4,473
Categories	Remuneration (RM'000)															
Salaries	3,373															
Allowances	251															
Bonuses	455															
Benefits	12															
Other emoluments	382															
Total	4,473															
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>																
Measure :	The Board will continuously assess the implications in respect of such disclosure for future consideration.															
Timeframe :	Others	Assessment in 2026														

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.				
2	Input info here	Input info here	Choose an item.	Choose an item.				
3	Input info here	Input info here	Choose an item.	Choose an item.				
4	Input info here	Input info here	Choose an item.	Choose an item.				
5	Input info here	Input info here	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						
2	Input info here	Input info here						
3	Input info here	Input info here						
4	Input info here	Input info here						
5	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	:	<p>The Board Audit & Risk Management Committee ("BARMC") of the Company comprises three (3) members, all of whom are IDs. The Chairman of the BARMC and the Chairman of the Board are held by two (2) different individuals.</p> <p>The BARMC is presently chaired by Dato' Tan Ang Meng, an ID who is a different person from the Chairman of the Board. This segregation of duties is intended to promote the effectiveness and independence of the BARMC and enables the Board to objectively review its findings and recommendations.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The BARMC has observed Practice 9.2 of the MCGC and incorporated such policy into the Company's BARMC Charter, which is reviewed by the Board as and when necessary.</p> <p>None of the current BARMC members have been audit partners of the Company in the three (3) years preceding their appointment as BARMC members.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The BARMC has established a process and procedure for assessing the appointment or re-appointment of external auditors, including the criteria used in such assessment.</p> <p>The criteria for assessing the performance, suitability, independence and objectivity of the external auditors include, but are not limit to, the quality of service, the adequacy of the firm's experience and resources, the qualifications of the professional staff assigned to the audit, and the effectiveness of communication and interaction.</p> <p>In support of its oversight function, the BARMC has obtained written assurance from the external auditors, confirming that they are, and have been, independent throughout the audit engagement, in accordance with all relevant professional and regulatory requirements.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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	:	All members of the BARMC are IDs.

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The members of the BARMC collectively possess the necessary skills and knowledge to discharge their duties and are financially literate. The Chairman of the BARMC is also a Certified Public Accountant.</p> <p>The details of the qualifications and experience of the BARMC members are provided in the "Profile of Board of Directors" section of the Company's 2025 Annual Report.</p> <p>During FY 2025, the BARMC members attended various training programmes and seminars organised by relevant regulatory authorities and professional bodies to continuously broaden their knowledge and stay abreast of the latest developments in areas including, but not limited to, accounting and auditing standards, CG, risk management and ESG.</p> <p>The Board recognises the importance of continuous professional development and training for its Directors. To support this, a Directors' Training Policy has been established to identify their training needs, and a budget is allocated for Directors' training programmes.</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

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 recognises its overall responsibility for the adequacy and effectiveness of the Group's system of internal controls and risk management framework in safeguard shareholders' investments and the Group's assets.</p> <p>As part of its efforts to establish an effective risk management and internal control framework, the Board exercises oversight of risk management and internal control through the BARMC, which meets on a quarterly basis and is supported by an adequately resourced Group Internal Audit Department ("GIAD").</p> <p>Management is accountable to the Board for the risk management and internal control system, including the implementation of processes to identify, evaluate, monitor and report risks and controls.</p> <p>The Board adopts MS ISO 31000:2010 as its risk management framework. The Group's system of risk management and internal control is designed to meet the Group's particular needs, to efficiently and effectively manage risks that may impede the achievement of its business objectives, and to provide information for accurate reporting and ensure compliances with regulatory and statutory requirements.</p> <p>Key business risks, as well as risks exceeding tolerance levels, are escalated to the BARMC and, if necessary, to the Board for deliberation.</p> <p>Further details are available in the Statement on Risk Management and Internal Control under the "Corporate Governance Overview Statement, Risk Management and Internal Control" section of the Company's 2025 Annual Report.</p>
Explanation for departure	
	<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>

Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has entrusted the BARMC with providing oversight of the system of internal controls and the risk management framework, which covers the business, operations and ESG matters. The BARMC is assisted by the GIAD in this role.</p> <p>The Board adopts MS ISO 31000:2010 as its risk management framework. The Group's system of risk management and internal control is designed to manage and mitigate, rather than eliminate, the risk of failure to achieve the Group's business and corporate objectives, within the risk appetite established by the Board and Management.</p> <p>In addition, for bribery and corruption risks, the Group adopts ISO 37001:2016 (Anti-Bribery Management System) and the Guidelines on Adequate Procedures pursuant to Subsection (5) of Section 17A of the Malaysian Anti- Corruption Commission Act 2009 to prevent, detect and respond to such risks.</p> <p>The Company and its core subsidiaries have been certified under ISO 37001:2016 (Anti-Bribery Management System) by SIRIM QAS International Sdn. Bhd. These systems therefore provide reasonable, but not absolute, assurance against material misstatement, loss or fraud.</p> <p>On an ongoing basis, each operating company's chief executive and authorised risk owners have clear accountabilities to monitor existing risks, identify emerging risks, update enterprise-wide risk registers, maintain the adequacy, effectiveness and relevance of action plans and control systems to manage risks, and prepare quarterly risk management reports for reporting to the BARMC.</p> <p>Key business risks, as well as risks exceeding tolerance levels, are escalated to the BARMC and, if necessary, to the Board for deliberation.</p> <p>Further details on the risk management and internal control systems of the Group are provided in the Statement on Risk Management and Internal Control under the "Corporate Governance Overview</p>

	Statement, Risk Management and Internal Control" section in the Company's 2025 Annual Report.
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 10.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 11.1

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

Application	: Applied
Explanation on application of the practice	<p>The internal audit (“IA”) function of the Company is carried out in-house by the GIAD. To ensure its effectiveness and independence, an Internal Audit Charter (“IA Charter”) has been established.</p> <p>The purpose, authority, scope, independence and responsibilities of the IA function are provided in the IA Charter, which is approved by the BARMC.</p> <p>The GIAD, led by the Head of IA, reports to the BARMC, which has the authority to decide, among others, on the appointment and removal; scope of work; and performance evaluation of the IA function.</p> <p>The annual audit plan prepared by the GIAD is submitted to the BARMC for review and approval. IA reports are also discussed and issued to Management for their feedback, enabling the formulation of action plans with target implementation dates for improvements. Any resulting salient control concerns are reviewed by the BARMC, and the implementation status of audit recommendations is monitored and reported to the BARMC on a quarterly basis.</p> <p>During FY 2025, the BARMC reviewed and approved the GIAD’s annual audit plan, the internal audit scope based on the risk assessment conducted, and the GIAD’s resource requirements. The BARMC was also satisfied that the GIAD performed its approved audits in accordance with the IA Charter.</p> <p>The IA function has been performed with impartiality, proficiency and due professional care. In discharging its duties, the GIAD challenges existing processes and adds value to the efficiency, effectiveness and economy of operating companies’ operations, the utilisation of assets and resources, and the integrity of management information systems.</p> <p>Further information is available in the “Board Audit & Risk Management Committee Report” section of the Company’s 2025 Annual Report.</p>
Explanation for departure	

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

Measure	:	
Timeframe	:	

Intended Outcome

Companies 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>a) Independence and Objectivity</p> <p>The GIAD is guided by its IA Charter, which defines, inter-alia, the independence, objectivity, responsibilities and authorities of the IA function, as well as the standards of audit practice.</p> <p>It is a requirement stated in the IA Charter that all IA personnel have no operational responsibility or authority over the activities they audit, in order to maintain independence and objectivity.</p> <p>The BARMC is responsible for deciding on the appointment, transfer and dismissal of the Head of IA, and for providing oversight on the adequacy of resources.</p> <p>b) IA Resources</p> <p>As at 30 September 2025, there were two (2) staff members in the GIAD. To kept abreast of developments in the profession, industry and regulations, they attended various internal and external training courses to ensure the effective functioning of the internal audit.</p> <p>c) Head of IA</p> <p>The Head of IA is Mr. Teoh Wei Hong. He is a member of the Institute of Internal Auditors (“IIA”) Malaysia and holds a Bachelor’s Degree in Accountancy.</p> <p>d) IA Framework</p> <p>The GIAD is guided by the International Standards for the Professional Practices Framework issued by the IIA, Inc., USA, and applies appropriate auditing standards to assess the</p>

	<p>integrity and effectiveness of internal controls and compliance with established policies and procedures.</p> <p>The GIAD is also committed to continuously monitoring and improving the IA function.</p> <p>Further information is available in the “Board Audit & Risk Management Committee Report” section of the Company’s 2025 Annual Report.</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 acknowledges the importance of regular and effective communication with shareholders and investors through annual reports, CG reports, circulars to shareholders, quarterly financial reports and various announcements made throughout the year, which provide shareholders and investors with an overview of the Group's performance and operations.</p> <p>They can also access the Company's information on its website, which includes the Board Charter, TORs of Board Committees, codes and policies, corporate information, announcements/press releases/briefings, financial information, product information and investor relations materials. Minutes of the AGM and Extraordinary General Meetings ("EGM") are also published on the Website.</p> <p>The Company also provided the shareholders and investors with a channel of communication through the Management for the purpose of directing queries and providing feedback to the Group.</p> <p>Furthermore, AGM & EGM ("General Meetings") provide a platform for shareholders to seek clarifications on any issues and gain a better understanding of the Group's performance. Shareholders are encouraged to attend the general meeting(s) of the Company to pose their queries. The Directors, CFO, SM and External Auditor/Advisors of the Company will also be available to address shareholders' queries during the general meeting(s).</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 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	:	The Company dispatches its notices of the General Meetings held during FY 2025 to shareholders at least twenty-eight (28) days in advance to enable them to consider the resolutions and make informed decisions when exercising their voting rights at the meetings.
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 13.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>All Directors are committed to attending and participating in the General Meeting(s) of the Company, which are scheduled in advance, except in the case of unforeseeable circumstances.</p> <p>For FY 2025, the Directors of the Company attended and participated in the Sixty-Second AGM held on 11 November 2024, as well as the Extraordinary General Meetings held on 3 January 2025, 21 March 2025 and 7 August 2025, to engage proactively with its shareholders.</p> <p>The Chairpersons of the Board Committees are aware of their respective scopes of responsibilities and will respond to questions addressed to them at the Company's General Meeting(s).</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 13.3

Listed companies should leverage technology to facilitate—

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

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

Application	Departure	
Explanation on application of the practice		
Explanation for departure	<p>The Board recognises the importance of leveraging technology to facilitate remote shareholders' participation in General Meetings and voting in absentia. After due consideration, the Board is of the view that physical General Meetings support more meaningful engagement and interaction between the Directors, CFO, SM and shareholders.</p> <p>According to the Record of Depositors as at 29 December 2025, the Company does not have a large number of shareholders, and its general meetings are held in accessible locations within Penang.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	Shareholders who are unable to attend the General Meetings of the Company may, in accordance with the Constitution of the Company, appoint their respective proxies or the Chairman of the meeting to vote on their behalf. The Company will continue to enhance the annual report to strengthen communication with its stakeholders.	
Timeframe	Others	Assessment in 2026

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 Directors attended the general meeting(s) of the Company in person to engage with shareholders and address any issues of concern raised by them.</p> <p>For FY 2025, the Directors of the Company attended and participated in the Sixty-Second AGM held on 11 November 2024, as well as the Extraordinary General Meetings held on 3 January 2025, 21 March 2025 and 7 August 2025 (collectively referred to as "Meetings"), to engage proactively with shareholders. The CFO, SM and the External Auditor/Advisors were also available during the respective Meetings to respond to shareholders' queries.</p> <p>Shareholders were given sufficient opportunity to pose questions during the Meetings. Questions from shareholders were addressed during the Question & Answer sessions at the Meetings before the voting session.</p> <p>Minutes of the said Meetings were also published on the Company's Website for shareholders' access.</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.

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.

Application :	Not applicable – only physical general meetings were conducted in the financial year
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 13.6

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

Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.

Application	:	Applied
Explanation on application of the practice	:	The minutes of the Meetings held during FY 2025 have been made available to shareholders on the Company's website no later than thirty (30) business days after the respective Meetings.
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 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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