CORPORATE GOVERNANCE REPORT

STOCK CODE	**:**	7180
COMPANY NAME	**:**	Sern Kou Resources Berhad
FINANCIAL YEAR	**:**	June 30, 2026

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	:	The Board of Directors ("the Board") is responsible for the stewardship of the Company's business and affairs with a view to enhance long term shareholders value as well as investor interest while taking into account the interests of other stakeholders and maintaining high standards of transparency, accountability and integrity. The Board provides stewardship to the Group's strategic direction and operations. The Board is responsible for formulating and reviewing the strategic plans and key policies of the Company and charting the course of the Group's business operations whilst providing effective oversight of Management's performance, risk assessment and controls over business operations to address the sustainability of the Group's business. The Board has delegated day-to-day management of the Group to the Managing Director ("MD"), Executive Director and the senior management team. Further, to ensure effective discharge of its function and responsibilities, the Board has also delegated specific responsibilities to the Audit Committee, Nomination and Remuneration Committee and Risk Management and Sustainability Committee, which operate within their respective Terms of Reference. The principal roles and responsibilities of the Board can be found in the Board Charter which can be viewed at Company's website.
Explanation for departure	:	

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

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	The Board is led by an Independent Non-Executive Director, Chairman, Mr Onn Kien Hoe, who is appointed to the Board on 25 November 2022. The Chairman is committed to good corporate governance practices and has been leading the Board towards culture of high performance. As provided under the Company's Board Charter, the Chairman is responsible for, among others: - a. leading the Board in setting the values and standards of the Company; b. maintaining a relationship of trust with and between the Executive and Non-Executive Directors; c. ensuring the provision of accurate, timely and clear information to Directors; d. ensuring effective communication with the shareholders and relevant stakeholders; e. arranging regular evaluation of the performance of the Board, its Committees and individual Directors; f. facilitating the effective contribution of Non-Executive Directors and ensuring constructive relations be maintained between Executive and Non-Executive Directors; and g. facilitating the ongoing development of all Directors. The roles of Chairman are distinguished from that of the MDs'/ Executive Directors' roles with clear division of responsibilities as outlined in the Company's Board Charter.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	The Company practices the division of responsibility between the Chairman and MD/ Executive Directors ("ED") and there is a balance of executive, non-executive and independent non-executive Directors. The roles of the Chairman and MD/ED are separated and clearly defined and are held individually by two persons. The Chairman of the Board is Mr Onn Kien Hoe, an Independent Non-Executive Director whilst the MD is Mr Low Peng Sian @ Chua Peng Sian. The MD, together with the Executive Director, have the overall responsibilities over the Group's operating units, organisational effectiveness and implementation of the Board policies and decisions. The Chairman is primarily responsible for matters pertaining to the Board and the overall conduct of the Group and is committed to good corporate governance ("CG") practices and has been leading the Board towards high performing culture while the MD is responsible for the implementation of board policies and decisions approved by the Board and he is obliged to reportto the Board at Board Meetings all material matters currently or potentially affecting the Group and its performance, including all strategic projects and regulatory development which might have an impact on the daily operation. All decisions of the Board are made unanimously or be consensus. To ensure balance of power and authority on the Board, half of the Board members are Independent Non-Executive Directors. The Board is satisfied and assured that no individual or group of Directors has unfettered powers of decision that could create a potential conflict of interest.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	

Timeframe :		

Intended Outcome

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

Practice 1.4

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 Mr Onn Kien Hoe, an Independent Non-Executive Director and he is not a member of the Audit Committee, Nomination and Remuneration Committee, and Risk Management and Sustainability Committee in the Company to ensure there is check and balance as well as objective review by the Board.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.5

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 Company Secretaries are qualified to act as secretary under Section 235(2) of the Companies Act 2016 ("CA 2016"). The key responsibilities of the Company Secretaries have been clearly specified in the Board Charter which is made available on the website of the Company. The roles and responsibilities of the Company Secretary include, but are not limited to the following: • Providing support and guidance to the Board on issues relating to compliance with rules and regulations and relevant laws affecting the Company as well as the best practices on governance matters. • Updating the Board on any new regulation issued by the regulatory authorities. • Organising and attending all Board meetings and Board Committees meetings as well as general meetings and ensuring the proceedings of meetings are recorded and the minutes circulated in a timely manner. • Undertaking the statutory duties as prescribed under the CA 2016.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.6

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	:	Directors are supplied with relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters for decisions to be made on an informed basis for an effective discharge of the Board's responsibilities. As required under the Company's Board Charter, the Board members receive meeting materials at least seven (7) days prior to the Board and Board Committee meetings, to facilitate decision making by Directors and to deal with matters arising from such meetings. Senior Management of the Group and external advisers are invited to attend Board meetings to provide additional insights and professional views, advice and explanations on specific items on the meeting agenda. Deliberations and decisions made at Board and Board Committees meetings are well documented in the minutes, including matters where Directors abstained from voting or deliberation. The minutes are then circulated to the Directors and Board Committees for perusal. The minutes are confirmed as correct record by the Board and Board Committees at the following meeting.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	The Board is guided by its Board Charter which clearly sets out the Board's roles and responsibilities in discharging its fiduciary and leadership functions. The Board Charter is available on the Company's website. To enhance accountability, the Board has established clear functions reserved for the Board, Board Committees, individual Directors and Management. There is a formal schedule of matters reserved to the Board for its deliberation and decision to ensure the direction and control of the Company are in its hands. The Charter provides guidance for Directors and Management regarding the responsibilities of the Board, Board Chairman, Board Committees, Executive Directors and Non-Executive Director as well as the requirements of Directors in carrying out their stewardship role and in discharging their duties towards the Company as well as boardroom activities. The Board Charter would be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have impact on the discharge of the Board's responsibilities. The last review of the Board Charter was conducted on 1 October 2024.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	

Timeframe :		

Intended Outcome

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

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

Practice 3.1

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	:	The Board is guided by the Company's Code of Conduct ("the Code") for Directors in discharging its oversight role effectively. The Code requires all Directors to observe high ethical business standards, and to apply these values to all aspects of the Group's business and professional practice and act in good faith in the best interests of the Group and its shareholders. A summary of the Code had been published on the corporate website, and it will be reviewed from time to time by the Board.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	The Company has in place a Whistleblowing Policy to promote the highest standard of corporate governance and transparency. The whistleblowing policy outlines the avenues for all employees, suppliers, agents, contractors and customers of the Group to raise concerns or disclose in good faith any improper conduct within the Group and to enable prompt corrective actions and measures to resolve them effectively. Any employee and member of public who has reasonable belief that there is serious malpractice relating to the matter disclosed, may direct such complaint and report to the Managing Director or Chairman of the Audit Committee, either through formal or informal channels. Management will ensure that the whistleblower who raises a genuine complaint in good faith shall not be penalised for such disclosure and the identity of such complainant shall be kept confidential. The Whistleblowing Policy is included in the Board Charter and published on the Company's website.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

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

Practice 4.1
The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

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

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

Application	:	Applied
Explanation on application of the practice	:	The Board provides the oversight on the Group's sustainability and is assisted by the Senior Management who oversees the implementation of the Group's sustainability measures. The Board recognises its responsibility to set the "tone from the top" and ensure good governance within the Company. In this regard, the Board continues to play an active role in providing oversight on all Environmental, Social, and Governance ("ESG") topics as disclosed in the Sustainability Report which form part of the Annual Report 2026. Aside from strategic guidance for management of its identified sustainability material matters and climate-related risk, the Board is also committed in advancing the ESG agenda and across the organisation. Supporting the Board is the Risk Management and Sustainability Committee ("RMSC"), which oversees the Group's sustainability blueprint, including material topics, strategies and targets. The RMSC is chaired by an Independent Non-Executive Director, together with a second Independent Non-Executive Director and Executive Director, who are collectively tasked with overseeing the Group's risk management and sustainability governance process. The Internal ESG Management Committee was also established to support RMSC in relation to the sustainability matters. The representative(s) of the Internal ESG Management Committee would be invited to the RMSC Meeting whenever necessary to present the report and findings respectively to the RMSC. The formation of the RMSC permits a more comprehensive assessment of risks emerging from material Environmental, Employee, and Social topics and underlines Sern Kou Resources Berhad ("SKRB")'s commitment to prioritising Environmental, Employee, Social, and Governance matters and integrating them into Group operational

	strategies and decision making. The RMSC is in turn supported by the Executive Directors and Senior Management, and the Head of Department and Head of Division, to drive and implement sustainability strategies. The Board has grouped four (4) main sustainability pillars namely:- 1) Economic pillar; 2) Environmental pillar; 3) Social pillar; and 4) Good governance pillar. For the Economic pillar, the Board has included the Economic in developing of the economic growth of the Company through sustainability strategy such as Economic Profitability, Operational Efficiency and Productivity, Technology and Innovation, Product Safety and Quality, Product and Brand Appeal, Accessing to Financing and Market Access. Whist for Environmental pillar, the Company has implemented sustainability strategy such as managing energy and water consumption, greenhouse gas ("GHG") emissions and pollution prevention through comprehensive environmental monitoring measures. In addition, Social has also been the main sustainability pillar as the company is aware that employee is the most important asset and the company intend to provide the best working conditions to all employees and retain talents. The Company also strive to ensure sound human rights and labour practices in every part of the organisation and championing corporate social responsibility ("CSR"). Further, in term of good governance, the Company strives to go beyond conformance of the relevant laws and regulatory requirements towards establishing best practices that reinforce trust, integrity and ethical principles that guide the business conduct by oversight of all corporate governance and matters of ethical business conduct, to establish stakeholders' confident.
Explanation for departure :	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.	
Measure :	

Timeframe :		

Intended Outcome

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

Practice 4.2

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

Application	:	Applied
Explanation on application of the practice	:	The Board is aware that stakeholder engagement is vital in ensuring continued business sustainability whereby it enables the Company to pursue various approaches and valued stakeholders' feedback and inputs in shaping the Company business strategy as the Company believed effective communication maintain mutually beneficial relationships with the stakeholders. The Company has engaged external consultant on sustainability matters, namely Joshua Rayan Integrated and Sustainability Reporting Specialists Sdn. Bhd. to conduct a comprehensive Materiality Assessment Exercise ("MAE") to identify, assess, and prioritise key topics of material concern to the Company's business and its stakeholders within the context of operating environment. The resulting assessment result is used to inform the Board and Senior Management of the Company's strategy setting and resource allocation for the Group so as to effectively manage the Company's sustainability-related risks. The Board had engaged with the stakeholders such as Customers, Shareholders and Investors, Employees, Government and Regulatory Bodies, Vendors/Suppliers, Media, Community/ Public and NGOs and Opinion Leaders accordingly, to ensure that the Board manages the stakeholders' expectation and satisfaction for the Company's sustainability growth. The Company had also disclosed the sustainability measures and forms of engagement with the stakeholders in the Sustainability Statement and Assurance Report which is also part of the Annual Report 2026 to the stakeholders. The Company have also established a dedicated Risk Management and Sustainability Committee as part of the governance structure, with the key function of developing and implementing the Group's sustainability strategy.
Explanation for departure	:	

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

Intended Outcome

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

Practice 4.3

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	:	The Board had identified and highlighted several of the risk factors that associated with the Business through Enterprise Risk Management (ERM) assessment which may affect the Company's core value and competitive advantage in the market. At the same time, the Company remains vigilant in monitoring and mitigating the business, operational, financial and other risks that may affect the Group.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	As addressing material sustainability risks and opportunities is the responsibility of the Board and Senior Management, the Board had during the financial year adopted an evaluation form on the assessment in regard to the Board and Senior Management's performance against the Environmental, Social, and Governance goal set and on the achievement to promote sustainability. The performance of the Board and Senior Management would be assessed on an annual basis. The annual assessment takes into the consideration of ability in addressing the Company's material sustainability risk and opportunities.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

Practice 4.5- Step Up
The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.		
Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Nomination and Remuneration Committee ("NRC") ensured the Board's structure, size, composition and the balance between Executive Directors, Non-Executive Directors and Independent Non-Executive Directors is reviewed annually to ensure the Board has an appropriate mix of skills and experience including core competencies which the Directors should bring to the Board and other qualities to function effectively and efficiently. The Directors' Fit and Proper Policy has served as a guide to NRC and the Board in their review and assessment of candidates that are to be appointed onto the Board as well as Directors who are seeking for election or re-election, to ensure that that the Directors have abilities to discharge their duties in tandem with good CG practices. The policy addresses board quality and integrity and will aid the Company to comply with Paragraph 2.20A of the Main Market Listing Requirements.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.2

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	:	The Board currently consists of seven (7) members, four (4) Independent Non-Executive Directors, two (2) Executive Directors and one (1) Non-Independent Non-Executive Director. The Directors' profiles are disclosed in the Annual Report 2026. The present composition of the Board is in compliance with Paragraph 15.02 of the Main Market Listing Requirements as at least two (2) and more than one-third (1/3) of the directors are Independent Directors. Further, the current independent directors represented at least half or 50% of the Board members and this has complied with Practice 5.2 of the Code.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

Practice 5.3
The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

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

Application	:	Applied	
Explanation on application of the practice	:	The Board had adopted a policy which the tenure of its independent directors shall not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the Board, subject to re-designation as a non-independent director. Otherwise, the Board is required to provide justifications and seek for shareholders' approval through a two-tier voting process at the Annual General Meeting in the event it intends to retain the director as an independent director. Nevertheless, there were no independent director's tenure exceeding a cumulative term of nine (9) years.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

Practice 5.4 - 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	:	Not Adopted
Explanation on adoption of the practice	:	

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

Practice 5.5
Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

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

Application	:	Applied
Explanation on application of the practice	:	The appointment of Board would be selected based on the skills matrix, experience and independency which are relevant and reflects accurately with the long-term strategic direction and needs of the Company with due regard for diversity in skills, experience, age, cultural background and gender. The Nomination and Remuneration Committee ("NRC") is delegated by the Board in identifying, selecting and recommending suitable candidates for the appointment of Board and Senior Management, by taking into consideration the aspects of the candidates such as probity, personal integrity, reputation, competence and capabilities, as well as the existing board positions held by the directors to ensure the Board to devote the required time to serve the board effectively. The Board acknowledges the importance of diverse Board and Senior Management. The Group strictly adhered to the practice of non-discrimination of any form, whether based on race, age, religion and gender throughout the organisation, which including the selection of Board members. The Group endeavours to meet the diversity at the Senior Management level and the composition of the Key Senior Management of the Group comprises a mixture of both genders.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	

Timeframe :		

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

Practice 5.6
In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

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

Application	:	Applied	
Explanation on application of the practice	:	In identifying new Board members, the Board would seek recommendations for potential candidates within the Board members, management and/or independent sources. The Board may utilise the independent sources if there is a need to source for candidate with the relevant skills, expertise, integrity, character, commitment, etc. If the selection of candidates was based on the recommendations made by existing directors and management, the Nomination and Remuneration Committee ("NRC") would make the necessary explanation and justification on the sources in identifying suitably qualified candidates, and to ensure transparency on the appointment of board candidates. The NRC would ensure the recommended candidates are suitable and of sufficient calibre before recommending their appointment to the Board.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

Practice 5.7
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	:	The Nomination and Remuneration Committee ("NRC") would evaluate and matches the criteria of the candidates based on the "Fit and Proper" standards as set out in the Board Charter by taking into consideration of diversity, including gender, skills, talents and experience, where appropriate, and recommends to the Board for appointment and re-appointment. If there is an appointment of the Board member, the Company would make the necessary announcement to the Bursa Securities Malaysia ("Bursa Securities") website, through which shareholders of the Company will have access to the details and disclosures of the new candidates as well as the qualifications, working experience and occupation, directorships in public companies and listed issuers, family relationship with any director and or major shareholder of the listed issuer, any conflict of interests that he/she has with the listed issuer and details of any interest in the securities of the listed issuer or its subsidiaries via the Bursa Securities websites. While there is a re-appointment of the directors during the Annual General Meeting, the resolutions would be tabled for Shareholders' deliberation and also for vote cast.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

Practice 5.8
The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied	
Explanation on application of the practice	:	The Nomination and Remuneration Committee ("NRC") comprises exclusively of Non-Executive Directors, a majority of whom must be independent. The NRC is chaired by Mr Chua Oou Chuan, an Independent Non-Executive Director. The Terms of Reference of the NRC is available in the Company's website.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board currently comprises seven (7) Directors and two (2) of whom are female. Hence, the board comprises less than 30% women Directors. Accordingly, the Company has not achieved the MCCG recommendation of having at least 30% female representation on the Board.	
		Nevertheless, the Board remains committed to promoting diversity and will continue to take gender diversity into consideration when evaluating future Board appointments, while ensuring that appointments are made based on merit, skills, experience and the needs of the Company.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

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

Practice 5.10
The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application	:	Applied
Explanation on application of the practice	:	The Board acknowledges the importance of boardroom diversity and takes cognisance of the recommendation of the Malaysian Code on Corporate Governance 2021 to have female Directors, and its policy promote gender diversity. The Board established the Gender Diversity Policy as set out in the Board Charter of the Company, which is available on the Company's website. The Board also implemented gender diversity policy and target. Having said so, the Board also keeps in mind that gender should not be the only basis of evaluation, and that candidate should be sought after based on their level of experience and skill set as well as other qualities as stated above. Nevertheless, in the event of a vacancy in the Board, the Board, through the Nomination and Remuneration Committee, has been tasked to consider both male and female representations when a vacancy arises and/or suitable candidates are identified. However, the appointment of a new Board member will not be guided solely by gender but will also take into account the skills-set, experience and knowledge of the candidate. The Company's prime responsibility in new appointments is always to select the best candidates available. Hence, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board remains a priority.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	

Timeframe :		

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

Practice 6.1
The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

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

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.	
Application :	Applied
Explanation on application of the practice :	The Board undertakes annual evaluation to determine the effectiveness of the Board and its Committees. The Board evaluation comprises Board Assessment, Board Committees' Assessment, Individual Assessment and Assessment of Independence of Independent Directors. The assessment of the Board is based on specific criteria, covering areas such as the Board structure, Board operations, roles and responsibilities of the Board, the Board Committees and the Chairman's role and responsibilities. For Individual Assessment, the assessment criteria include contribution to interaction, quality of inputs, calibre and personality and understanding of role. The results of the assessment would form the basis of the Nomination and Remuneration Committee's ("NRC") recommendation to the Board for the re-election of Directors at the next Annual General Meeting ("AGM"). Based on the annual assessment conducted, the NRC was satisfied with the existing Board composition and concluded that each Director has the requisite competence, skills, time commitment and experience to serve on the Board and has sufficiently demonstrated their commitment to the Company in terms of time and participation during the year under review, and recommended to the Board the re-election of retiring Directors at the Company's forthcoming AGM. All assessments and evaluations carried out by the NRC in discharging its functions were properly documented.
Explanation for departure :	

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

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Nomination and Remuneration Committee ("NRC") and the Board will ensure the Company's remuneration policy remains supportive to the Company's corporate objectives and is aligned with the interest of shareholders, and that the remuneration packages of Directors and key Senior Management Officers are sufficiently attractive to attract and to retain persons of high calibre. The remuneration policy set out in the Board Charter of the Company is available on the Company's website.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 7.2

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

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

Application :	Applied	
Explanation on application of the practice :	The Board has established a Nomination and Remuneration Committee ("NRC") which comprises exclusively of Non-Executive directors, a majority of whom must be independent. The NRC is chaired by Mr Chua Oou Chuan, an Independent Non-Executive Director. The Terms of Reference of the NRC is available in the Company's website. The NRC reviews and recommends to the Board annually the Board's remuneration package and/or reward payments that reflect their respective contributions for the year, and which depend on the performance of the Group, achievement of the goals and/or quantified organisational targets as well as strategic initiatives set at the beginning of each year.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The details of the remuneration of Directors of the Company (comprising remuneration received and/or receivable from the Company and its subsidiaries) during the financial year ended 30 June 2026 are disclosed in the Corporate Governance Overview Statement of the Annual Report.

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	Low Peng Sian @ Chua Peng Sian	Executive Director	-	-	-	-	-	3	3	-	-	1,440 [Salary] 177 [EPF, SOCSO and EIS]	-	56	3	1,676
2	Lee Shen Wang	Executive Director	7	-	-	-	-	3	10	7	-	480 [Salary] 59 [EPF, SOCSO and EIS]	-	13	3	562
3	Siah Chew Peng *(Note:Resigned on 31 December 2025)*	Executive Director	-	-	126 [Salary] 16 [EPF, SOCSO and EIS]	-	-	3	145	-	-	126 [Salary] 16 [EPF, SOCSO and EIS]	-	10	3	155
4	Onn Kien Hoe	Independent Director	113	-	-	-	-	3	116	113	-	-	-	-	3	116
5	Loo Eng Hua	Non-Executive Non-Independent Director	346	-	-	-	-	3	349	346	-	-	-	11	3	360
6	Teh Su-Ching	Independent Director	82	-	-	-	-	3	85	82	-	-	-	-	3	85
7	Seow Jing Hui	Independent Director	77	-	-	-	-	3	80	77	-	-	-	-	3	80

8	Chua Oou Chuan	Independent Director	94	-	-	-	-	3	97	94	-	-	-	-	3	97
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.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company is of the view that the disclosure of information other than as disclosed in the Annual Report is detrimental to the Company's management of its human resources due to the competitive environment for resources within the industries the Company and its subsidiaries operate in. While the Company has set policies and procedures in setting the remuneration of key personnel, such disclosure may also be misconstrued so as to hinder its recruitment and retention of personnel.	
		The Company also believes that the non-disclosure of the information on key personnel and their remuneration will not affect the interest of its shareholders. As an alternative, the Company has disclosed the remuneration of its top two (2) senior management personnels in the band of RM50,000 in the Corporate Governance Overview Statement of the Annual Report.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome
There is an effective and independent Audit Committee.

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

Practice 9.1
The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied	
Explanation on application of the practice	:	The Audit Committee ("AC") composes of three (3) members, which comprises exclusively of Independent Non-Executive Directors. The AC is chaired by Ms Teh Su-Ching, who is distinct from the Chairman of the Board.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
There is an effective and independent Audit Committee.

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

Practice 9.2
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	:	The Audit Committee ("AC") has adopted a policy that requires a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC and the said policy has been incorporated in the Terms of Reference of the AC. The Terms of Reference of the AC is available at the Company's website. No former key audit partner of the External Auditors of the Company is appointed as a Company Director and a member of the AC thus far.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
There is an effective and independent Audit Committee.

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

Practice 9.3
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	:	The Company has adopted the External Auditors' Selection Policy on 23 May 2022 to outline the guidelines and procedures to be taken by the AC Committee ("AC") for the selection and appointment, removal, impartially and independent of external auditors in order to safeguard the quality and reliability of the Audited Financial Statements. An annual assessment of the competency and independence of the External Auditors was conducted by the AC. In assessing the External Auditors' performance and suitability, the AC considered, inter-alia, the independence, objectivity, professionalism, quality of services, sufficiency of resources and communication and interaction with the External Auditors. The AC received assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out in the MIA By-Laws (on Professional Ethics, Conduct and Practice) ("By-Laws") and the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants ("IESBA Code"). Based on the annual assessment conducted on the External Auditors' performance, the AC recommended to the Board for the reappointment of BDO PLT as the External Auditors of the Company for the financial year ending 30 June 2027, upon which the shareholders' approval will be sought at the forthcoming Annual General Meeting.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		

Measure	:		
Timeframe	:		

Intended Outcome
There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up
The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The Audit Committee of the Company comprises three (3) members, who are all Independent Non-Executive Directors and they are:- (1) Teh Su-Ching (Chairman) (2) Chua Oou Chuan (3) Seow Jing Hui

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 :	All members of the Audit Committee ("AC") are financial literate and assist the Board to oversee and scrutinise the process and quality of the financial reporting and ensure accuracy, adequacy and completeness of the report, as well as in compliance with the relevant accounting standards. The Company is committed to ensure that all members of the AC undertake continuous professional development and have annual discussion with the external auditors on financial reporting development to keep themselves abreast of the relevant developments in accounting and auditing standards, practices and rules.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

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

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

Practice 10.1
The board should establish an effective risk management and internal control framework.

Application	:	Applied
Explanation on application of the practice	:	The Risk Management and Sustainability Committee ("RMSC") oversees the risk management of the Group and advises the Board on areas of high risk faced by the Group and the adequacy of compliance and control throughout the organisation. The RMSC also reviews the action plan implemented and makes relevant recommendations to the Board to manage residual risks. The Group has established a formal risk management framework to oversee the risks management of the Company and engaged an external consultant to assist the Company in identifying, assessing and managing the risks in areas that are applicable to the Company's business and ensure that the risk management process in place and functioning effectively. The Company has outsourced its internal audit function for the financial year ended 30 June 2026 to a professional services firm, namely Vaersa Advisory Sdn. Bhd., to assist the RMSC in discharging its duties and responsibilities in respect of reviewing the adequacy and effectiveness of the Group's risk management and internal control systems. The engaging partner and team are free from any relationships or conflict of interests with the Company, to ensure the Internal Auditors' objectivity and independence are not impaired. Further details can be found in the Statement on Risk Management and Internal Control in the Annual Report.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

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

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

Practice 10.2
The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied	
Explanation on application of the practice	:	The Statement on Risk Management and Internal Control in the Annual Report provides the overview of the internal control framework adopted by the Company during the financial year ended 30 June 2026.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

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

Practice 10.3 - Step Up
The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Adopted
Explanation on adoption of the practice	:	The Board has established a Risk Management and Sustainability Committee ("RMSC") which comprises majority of Independent Non-Executive Directors. The RMSC ensures that the risk management structure is consistently adopted throughout the Group. The RMSC also periodically reviews the adequacy of the Company's risk management policy and systems, and the effectiveness of policy and systems implementation in terms of identifying, measuring, aggregating, controlling and reporting the risks. The Terms of Reference of the RMSC is available at the Company's website.

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	:	The Board always places significant emphasis and sound internal controls which are necessary to safeguard the Group's assets and shareholders' investment. The Board has outsourced the Internal Audit ("IA") function for the financial year ended 30 June 2026 to an independent assurance provider, namely Vaersa Advisory Sdn. Bhd. to provide an independent appraisal over the system of internal control of the Group and reports directly to the Audit Committee ("AC"). The responsibilities of the Internal Auditors include providing independent and objective reports on the state of internal controls and the significant operating units in the Group to the AC, with recommendations for improvement to the control procedures, so that remedial actions can be taken in relation to weaknesses noted in the systems. The Internal Auditors are also required to perform periodic testing of the internal control systems to ensure that the system is robust. During the financial year under review, the Internal Auditors have conducted review on the Group in accordance with the IA Plans, which have been approved by the AC. Details of the IA function is set out in the AC report in the Annual Report.	
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	:	The Company has outsourced the Internal Audit ("IA") Function to Vaersa Advisory Sdn. Bhd. to assist the Board and the Audit Committee in providing independent assessment on the adequacy, efficiency and effectiveness of the Group's key processes and internal control system. The IA function is independent of the activities it audits and carries out its work in accordance with the International Professional Practices Framework of the Institute of Internal Auditors, enshrined in the Internal Audit Charter to confirm the Internal Audit's independence and has sufficient resources to carry out these duties. The lead Internal Auditor, Mr Quincy Gan, a qualified Accountant and associate member Institute of Internal Audit, and his team are free from any relationships or conflict of interests with the Company, to ensure the Internal Auditors' objectivity and independence are not impaired and the internal audit function is carried out in accordance with a recognised framework. The resources deployed to conduct the internal audit function are ten (10) staffs, and all of them possess the necessary qualification to conduct internal audit. The information on the IA function is available in the Statement on Risk Management and Internal Control in the Annual Report.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		

Measure	:		
Timeframe	:		

Intended Outcome

There is 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	:	The Board recognises the importance of being transparent and accountable to the Company's stakeholders and acknowledges the continuous communication between the Company and stakeholders would facilitate mutual understanding of each other's objectives and expectations. As such, the Board consistently ensures prompt and timely dissemination of information to the shareholders and the investors, for them to make informed investment decisions. The supply of clear, comprehensive and timely information to the stakeholders via various disclosures and announcements including quarterly and annual financial results provide stakeholders and investors with up-to-date financial information of the Group. All these announcements and other information about the Company are available on the Company's website which is accessible to the shareholders, investors and the public. In addition, the Directors engage with the shareholders at least once a year during the Annual General Meeting to understand their needs and seek their feedback.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

There is 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	:	The Company does not fall under the category of "Large Companies" as defined in the Malaysian Code on Corporate Governance 2021.	
		(Not Applicable to the Company)	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 13.1

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

Application	:	Applied
Explanation on application of the practice	:	The Annual Report 2025 together with the Notice of the Twenty-Fifth (25th) Annual General Meeting ("AGM") was sent to shareholders at least twenty-eight (28) days prior to the date of AGM to ensure the shareholders have sufficient time to consider on the resolutions to be discussed at the AGM and to encourage greater shareholders' participation. In 2026, the Notice of forthcoming Twenty-Sixth (26th) AGM will be sent to the shareholders at least twenty-eight (28) clear days before the AGM, in advance of the twenty-one (21) days requirement under the Company's Constitution, the Companies Act 2016 and the Listing Requirements, which providing additional time to the shareholders to allow them to make the necessary arrangements to attend and participate in person or by corporate representatives or proxies, and consider the proposed resolutions that will be discussed and decided at the AGM. The Notice of the AGM, which sets out the businesses to be transacted at the AGM shall also be published in major local newspaper and Company's websites. The notes to the Notice of the AGM also provide detailed explanations for each proposed resolution to enable the shareholders to make informed decisions when exercising their voting rights.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.2

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

Application	:	Applied
Explanation on application of the practice	:	All the Directors, Chairs of committees and Senior Management attended the previous Annual General Meeting ("AGM") held on 21 November 2025. All Directors, Chair of committees, Senior Management, External Auditors and advisors, if any, shall endeavour to present in person to engage directly with, and be accountable to the shareholders for their stewardship of the Company at the general meeting. The proceedings of the AGM included a question-and-answer session, of which the Chairman of the AGM would invite shareholders to raise questions in respect of the Company's financial statements and any other items for adoption at the AGM, before putting a resolution to vote. The present of all Directors presented opportunities for the shareholders to engage with each Director and also allowed the shareholders to raise questions and concerns directly to the Directors.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

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

Practice 13.3
Listed companies should leverage technology to facilitate–

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

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company does not have meetings in remote locations, nor does it have a large number of shareholders for it to leverage on technology to facilitate shareholders voting in absentia or having remote shareholders' participation in general meetings.	
		The Company's general meetings have always been held at a venue which is easily accessible. Shareholders are entitled to appoint representatives or proxy/proxies/Chairman to vote on their behalf in their absence. Having said that, the Company is also looking into the proposal and have explored to leverage on technology to facilitate virtual general meetings and remote shareholders' participation at previous general meetings held.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 13.4

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.

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.		
Application	:	Applied
Explanation on application of the practice	:	The Chairman of the board ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The Chairman had invited the shareholders to participate physical Annual General Meeting in deliberating the proposed resolutions and/or on the Group's operations in general. The Directors, External Auditors and the senior management were all in attendance to respond to all questions raised and to provide clarification as required by the shareholders including company's financial and non-financial performance as well as the company's long-term strategies.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

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

Practice 13.5
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	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

Practice 13.6
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 Board acknowledges the recommendation of the Malaysian Code on Corporate Governance 2021 to circulate the minutes of the general meeting to the shareholders no later than thirty (30) business days after the general meeting and would take necessary action to publish the minutes of meeting in a platform which accessible to the shareholders i.e. Company's website.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
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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