CORPORATE GOVERNANCE REPORT

STOCK CODE	**:**	5134
COMPANY NAME	**:**	Southern Acids (M) Berhad
FINANCIAL YEAR	**:**	March 31, 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 has ultimate responsibility for setting the strategic direction and policies of the Group to create and deliver long-term shareholder value while taking into consideration the interests of shareholders and other stakeholders. **Board Committees** To assist the Board in discharging its oversight responsibilities more effectively, two Board Committees ("BC"), namely Audit Committee ("AC") and Nomination & Remuneration Committee ("NRC"), have been established. Each BC operates within clearly defined Terms of Reference ("TOR"), which set out its composition, authorities and responsibilities. **Cultivating Good Business Conduct** In setting the tone from the top, the Board promotes ethical behaviour, integrity and professionalism throughout the Group. The Board has also adopted several code and policies applicable to employees of the Company and its subsidiaries. To reinforce a culture of integrity and accountability, the Board has adopted the following code and policies which are applicable across the Group: - Code of Conduct & Ethics ("CoCE") - Anti-Bribery & Anti-Corruption Policy ("ABAC") - Whistleblower Policy ("WP") **Key Roles & Responsibilities** The principal roles and responsibilities of the Board include, among others, the following: **1. Setting Company's Strategy** - Establish and periodically review the Group's strategic direction and business plans to support long-term value creation and sustainable growth - Oversee the conduct and performance of the Group's businesses to ensure they are properly managed and operated

2. Oversight Roles

- Provide effective oversight of the activities and performance of Senior Management
- Present a balanced, clear and comprehensive assessment on the financial performance, position and prospects of the Company and the Group through quarterly and annual financial statements
- Review principal risks facing by the Group and ensure that appropriate systems and processes are in place to identify, assess and manage such risks in order to safeguard shareholders' investments and the Group's assets

3. Managing shareholders' and stakeholders' expectations

- Ensure that appropriate mechanisms are in place to facilitate effective, transparent and timely communication with shareholders and stakeholders

Matters reserved for the Board:

- approval for corporate plans and programmes;
- approval of annual budgets;
- approval of new ventures;
- approval of material acquisitions and disposals of properties and undertakings; and
- changes to the Senior Management and control structures within the Group, including key policies, delegated authority limits.

The Board Charter, TORs of the BCs, and the relevant code and policies are available under the Corporate Governance Section of the Company's website at www.southernacids.com.

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 Tan Sri Datuk Seri Panglima Sulong Matjeraie ("Tan Sri Sulong"), an Independent Non-Executive Director, who plays a pivotal role in promoting and upholding sound corporate governance practices across the Group. As the Chairman, Tan Sri Sulong is responsible for providing leadership to the Board and ensuring its effective functioning. In discharging his responsibilities, the Chairman is guided by Section 3.5.1 of the Board Charter, which sets out his principal responsibilities as follows: - To lead the Board in establishing and monitoring goodcorporate governance practices in the Company; - To provide effective leadership to the Board; - To ensure the efficient organisation and conduct of the Board's functions and meetings; - To facilitate effective contribution from all Directors during Board meetings; - To encourage active participation and allowing dissenting views to be freely expressed; - To foster constructive and respectful relationship among Directors and between the Board and Senior Management; and - To ensure effective communication with shareholders and stakeholders. In discharging his leadership role as Chairman, Tan Sri Sulong ensures that the decision made by the Board are in the best interests of the Company and are reached through constructive deliberations and collective consensus.
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.

<table>
<tr><td>Application :</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">The positions of Chairman and Managing Director ("MD") are held by separate individuals, namely Tan Sri Sulong as the Chairman and Dato' Sri Dr Nick as the MD, to ensure appropriate balance of power, authority and accountability.

This practice is embedded in the Board Charter.

The Chairman leads the Board in its collective oversight of management, and the MD focuses on the business and day-to-day management of the Company. The division of responsibilities between the Chairman and MD is clearly articulated under Section 3.5 of the Board Charter.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company is complying with the Bursa Malaysia Securities Malaysia ("Bursa Malaysia") Main Market Listing Requirements ("MMLR"), under Paragraph 15.08A (1).	
		The Board is of the view that the NRC is capable of discharging their duties and responsibilities independently, and their collectively decision will be able to meet the overall Company's objectives.	
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 Board is supported by professionally qualified, competent and experienced Company Secretaries namely: - Madam Lim Kui Suang; and - Madam Ng Shu Ling. The Board ensures that the Company Secretaries appointed possess the requisite qualifications, experience and competencies necessary to effectively discharge their duties. The Company Secretaries report directly to the Board, advising the Board, usually through the Chairman, on governance and compliance matters and ensuring there is an effective system of corporate governance in place. Annually, the Company Secretaries shall undertake continuous professional development, to keep abreast with the many developments around corporate and securities law, listing rules and corporate governance practices. Pursuant to Section 6.0 of the Board Charter, the principal responsibilities of the Company Secretaries include the following : - Advise the Board and Board Committees on their roles and responsibilities; - Advise the Board and Board Committees on governance issues and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectation; - Advise and continuously update the Board on corporate disclosures and compliance with listing requirements, company and securities legislations and related regulations - Ensure proper upkeep of statutory registers and records; - Manage the logistics of all Board, Board Committees, and general meetings, attend and record minutes of the meetings thereof; - Assist the Chairman in determining the annual Board plan and the administration of other strategic issues; - Facilitate in the induction of newly appointed Directors and coordinates continuing education programmes to enable Directors to discharge their duties effectively. All Directors have full access to the advice and services of the Company Secretaries whenever necessary.

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.

<table>
<tr><td>Application</td><td>:</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice</td><td>:</td><td colspan="2">Board Meeting Papers
All directors are provided with agenda of the meeting, minutes of the previous meeting and relevant set of reports on matters to be discussed ("Board Papers") circulated at least five (5) business days before a board meeting to ensure that Directors are well informed and have sufficient time to read in advance.

Board Meeting Minutes
The Board shall ensure that Board Minutes are a concise summary of the matters discussed at a board meeting and contain a brief reference to relevant Board Papers tabled including any official resolutions adopted by directors.

All decisions will be recorded in Board Minutes.</td></tr>
<tr><td rowspan="2">Explanation for departure</td><td rowspan="2">:</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="4">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure</td><td>:</td><td colspan="2"></td></tr>
<tr><td>Timeframe</td><td>:</td><td></td><td></td></tr>
</table>

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 provides the guiding principles to achieve the Company's objectives, and serve as a primary reference point in discharging their fiduciary duties respectively of the following: - Chairman - MD - Board - Board Committees - Board members - Senior management The Board Charter is periodically reviewed and approved by the Board to be in line with the prevailing regulations. 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. There are as follow: - approval of corporate plans and programme - annual budgets - new ventures - material acquisitions and disposal of properties and undertakings - changes to the Senior Management and corporate structure of the Company and its subsidiaries.
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 committed to promoting good business conduct and maintaining healthy corporate culture. CoCE has been established by the Board and implemented by the management. CoCE which is available on the Company's website outlines, sets out the ethical principles and standards of conduct expected of Directors, employees and business associates of the Company and its subsidiaries. Among others, CoCE provides guideline on: - ethical principles and values; - expected standard of conducts in the course of business; - compliance with applicable laws and regulations ; - managing 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

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 WP which provides a channel for employees and other stakeholders to raise concerns on potential improprieties, including but not limited to suspected fraud, corruption, and unlawful or dishonest conduct. The administration and oversight of WP fall under the purview of the AC. Whistleblowers are encouraged to report concerns directly to the Chairman of AC through a dedicated email channel at sab.whistle@southernacids.com to ensure confidence and without fear of retaliation. WP 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 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 Company has a sustainability governance structure to oversee the sustainability practices across the organisation. As mandated by the Board, sustainability matter is under the purview of the AC and supported by the Sustainability & Risk Assessment Body ("SRAB") at the management level. SRAB is chaired by the MD and comprises heads of business unit and other key management personnel, assists the Board to achieve the overall effectiveness and adequacy in the management of environmental, social and governance ("ESG") matters. SRAB oversees the implementation of the Group's sustainability commitments and identify emerging sustainability-related risks and opportunities to the Company and its subsidiaries as well as to align the Company's expectation and business strategy to the sustainability focus areas.	
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 Company's sustainability strategies, priorities, and performance are reviewed and monitored annually to ensure continues relevance and alignment with the Group's long-term objectives. The Sustainability Statement, which is set out on page 30 – 67 of the Company's annual report 2026 ("AR2026"), provide details of the Group's sustainability journey, stakeholder groups and engagement activities, as well as the sustainability priorities, and performance.	
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.

<table>
<tr><td>Application :</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">Sustainability matter have been incorporated into AC meeting agenda, with the AC receives quarterly briefing and updates from the MD or the representative of MD .

The Board receives periodic updates from the AC Chairman on sustainability initiatives and key sustainability risk and opportunities relevant to the Group’s operation and long-term strategy.

As at the date of this report, all Directors had completed the Mandatory Accreditation Programme Part II, Leap For Impact, a mandatory sustainability onboarding programme initiative under the Securities Commission Malaysia's Corporate Governance Strategic Priorities 2021-2023 and conducted by the Institute of Corporate Directors Malaysia.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
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<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

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.

<table>
<tr><td>Application :</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">Sustainability-related matters, including the management of material sustainability risk and opportunities, are incorporated into the annual evaluation of Directors and the annual performance assessment of Senior Management.

The annual evaluation process is facilitated internally via the NRC in accordance with a formal framework guided by its TOR.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
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<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

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.

<table>
<tr><td>Application :</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">The effectiveness of the Board as a whole and the individual Director, including those seeking annual re-election, is assessed and evaluated annually by the NRC.

The results of the annual assessment are presented to the Board and form the basis of the NRC's recommendations on the re-election of retiring directors.

The assessment criteria are guided by the TOR of the NRC.

During the financial year under review, the NRC was satisfied that the existing composition of the Board and BC remained appropriate and effective. Accordingly, the Directors retiring and seeking re-election were recommended to the Board for shareholders' approval at the forthcoming Annual General Meeting ("AGM").</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
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<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

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.

<table>
<tr><td>Application</td><td>:</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice</td><td>:</td><td colspan="2">As at 31 March 2026, the Board has six members, consists of the following:
- Two Executive Directors
- One Non-Independent Non-Executive Director
- Three Independent Non-Executive Directors.

In summary, Independent Non-Executive Directors constitute 50% of the Board composition.</td></tr>
<tr><td rowspan="2">Explanation for departure</td><td rowspan="2">:</td><td colspan="2"></td></tr>
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<tr><td>Timeframe</td><td>:</td><td></td><td></td></tr>
</table>

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.

<table>
<tr><td>Application :</td><td colspan="2">Departure</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2"></td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2">Currently, the Company does not have a policy limiting the tenure of Independent Directors to a cumulative term of nine years. The Board believes that the effectiveness and independence of an Independent Director are primarily determined by the individual's calibre, experience, objectivity and integrity.

Limiting the tenure of Independent Directors may result loss of valuable experience and institutional knowledge that contribute to the effectiveness of the Board.</td></tr>
<tr><td colspan="2">Tan Sri Datuk Seri Panglima Sulong Matjeraie, having served as an Independent Non-Executive Director for a cumulative term exceeding nine years, will retire at the forthcoming 45th AGM and will not seek for re-election. Accordingly, shareholders' approval for his continued tenure as an Independent Non-Executive Director will not be sought.</td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2">Please explain the measure(s) the company has taken or intend to take to adopt the practice.</td></tr>
<tr><td>Timeframe :</td><td>Choose an item.</td><td></td></tr>
</table>

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 Board recognises a diverse and an inclusive Board will leverage the differences of its members, will achieve effective stewardship. More importantly, the merits of the candidate are critically important in supporting the Company to meet its strategic objectives. In addition, NRC is also guided by the Directors' Fit and Proper Policy established on 19 May 2022 which set out the fit and proper criteria for the appointment of Directors and the re-election of Directors of the Company. Director(s) who is existing on board of other listed-companies are required to disclose including the principal activities to the NRC for evaluation and assessment. This is to ensure the director(s) able to devote sufficient time to serve on the Company's board effectively and has no conflict of interest with the Company's businesses.	
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.

<table>
<tr><td>Application :</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">The Board, via the NRC, had implemented a stringent selection criterion for new board member.

The Board leverages on various sources for wider pool of potential candidates such as recommendation from internal sources, external source, acquaintance and industry practitioners for recommendations.

In FY2026, there was no appointment of new director for the Company.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

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	:	Director's information as per Part A (3) of the Appendix 9C of the Bursa Malaysia MMLR are set out in the Profile of Directors in the AR2026 whereas their interest in the Company, if any is included in the Statistics of Shareholdings section of the AR2026. The details of the Directors who will retire and being eligible for re-election at the coming AGM, and as well as the statement by the Board to support the re-election of directors are disclosed in the explanatory notes to the agenda of the AGM.	
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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company is complying with the Bursa Malaysia MMLR, under Paragraph 15.08A (1).	
		In the opinion of the Board, the NRC which include two other members who are Independent Non-Executive Director, collectively be able to make decision objectively in the best interests 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 5.9
The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company is complying with the Bursa Malaysia MMLR, under Paragraph 15.02 (1) (b).	
		The Board believes that while it is important to promote gender diversity, it should not set a target just to fill the required vacancy for gender diversity as the over-riding criteria. Selection should be based on the merit of individual that best fits the Company's requirements. However, the Board recognises the importance of gender diversity and remains committed to achieving at least 30% female representation on the Board.	
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.

<table>
<tr><td>Application</td><td>:</td><td colspan="2">Departure</td></tr>
<tr><td>Explanation on application of the practice</td><td>:</td><td colspan="2"></td></tr>
<tr><td rowspan="2">Explanation for departure</td><td rowspan="2">:</td><td colspan="2">The Company does not have a policy on gender diversity for the Board and Senior Management of the Company.</td></tr>
<tr><td colspan="2">While the Board acknowledges the importance of gender diversity for the Board and Senior Management, the selection of suitable candidates is based on the candidates' knowledge, merit, qualification, competency and other qualities in meeting the needs of the Company and its subsidiaries.

The Board will continue to consider suitably qualified female candidates for appointments to the Board and Senior Management positions, taking into account on merit, competencies and the needs of the Group.</td></tr>
<tr><td colspan="4">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure</td><td>:</td><td colspan="2">Please explain the measure(s) the company has taken or intend to take to adopt the practice.</td></tr>
<tr><td>Timeframe</td><td>:</td><td>Choose an item.</td><td></td></tr>
</table>

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.

<table>
<tr><td colspan="3">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.</td></tr>
<tr><td>Application</td><td>:</td><td>Applied</td></tr>
<tr><td>Explanation on application of the practice</td><td>:</td><td>NRC facilitates an annual assessment of the effectiveness of the Board, BC and the contribution of each individual Director, including the Independent Directors. The result of the assessment are deliberated by the NRC and reported to the Board for consideration.

The criteria for the annual assessment are as follow:

<table>
<tr><td>Individual director</td><td>• Willingness and ability to constructively challenge and ask pertinent questions;
• Character and integrity in dealing with potential conflict of interest situations;
• Commitment to serve the Company, due diligence and integrity;
• Confidence and independence in expressing views and contributing to Board deliberations.</td></tr>
<tr><td>Board</td><td>Categorised into the following section:
• Broad diversity and composition
• Quality and timeliness of information and decision making
• Boardroom activities</td></tr>
<tr><td>Audit Committee Member</td><td>• Personality and characteristics
• Experience including financial literacy
• Skills and experience in evaluating informations on the Company's business and risk environment
• Understanding on the Company's significant financial and non-financial risks</td></tr>
</table>
</td></tr>
</table>

		• Understanding on the Company's compliance processes • Understanding of financial and statutory reporting requirements • Understanding of the Company's significant accounting policies, accounting estimates and financial reporting practices
	Nomination & Remuneration Committee Member	**Overall** • Personality and characteristic • Experience to meet the objectives of the NRC's TOR **Nomination Function** • Understanding of human resource legislation and issues • Understanding of the requirement for Board and Board Committees composition • Understanding of the nomination and appointment process of directors • Understanding of the Company's succession planning framework • Skills and experience in the field of talent management, capacity building, performance evaluation and copetency development for Directors and Senior Management **Remuneration Function** • Understanding of remuneration framework applicable to Non-Independent Executive Director ("NIED"), INED, Non-Executive Chairman and Chief Financial Officer ("CFO") • Understanding of the Company's compensation policy and its alignment to corporate performance and compensation offered are in line with prevailing market practices
	Independence of Independent Director	• Meet the requirements as spell out under Chapter 1, Para 1.01 of the Bursa Malaysia Main Market Listing Rules • Demonstrate and promote values of transparency, accountability and responsibility • Participate on Board and Board Committees deliberation and provide an independent view or objective advice

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.

<table>
<tr><td>Application :</td><td colspan="2">Departure</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2"></td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2">While the Company has yet to formalise a standalone remuneration policy, the principles and procedures governing remuneration matters are set out in the TOR of the NRC which is available on the Company's website.</td></tr>
<tr><td colspan="2">The following are the criteria used for the annual remuneration evaluation exercise:

- To review the remuneration of Executive Directors, Non-Executive Directors, MD and CFO and that the remuneration packages are determined on the basis of the Directors', MD's and CFO's merit, qualification and competence, having regard to the Company's operating results, individual performance and comparable market statistics.
- To review the annual remuneration to be in alignment of compensation to corporate performance and compensation offered that are comparable with market practice; and
- To engage external professional advisors to assist and/or advise the Committee, on remuneration matters, where necessary</td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2">Please explain the measure(s) the company has taken or intend to take to adopt the practice.</td></tr>
<tr><td>Timeframe :</td><td>Choose an item.</td><td></td></tr>
</table>

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 Company's NRC comprises of one Non-Independent Non-Executive Director and two Independent Non-Executive Directors, is entrusted with the duties and responsibilities of assisting the Board in implementing policies and procedures relating to the remuneration of the Board and Senior Management. The key responsibilities of the NRC in relation to nomination matters include the following: (i) To review the policy on Board composition and determine the appropriate mix of skills, experience and other qualities. Including core competencies required of Non-Executive Directors annually; (ii) To review succession planning for Senior Management, including nominations to the Board of Directors of the Company & appointment of the MD and CFO; (iii) To establish clear and appropriate criteria to assess the effectiveness of the Board as a whole, the committees of the Board, the contribution of each individual Director and each member of the Board Committees including the assessment of the independence of the Independent Director on an annual basis; (iv) To establish and review the criteria on the selection and recruitment process and policy on board composition, taking into consideration the suitability of candidates against consideration such as competencies, commitment, contribution and performance, including the current composition of Board and Board Committees, mix of skills and experiences of directors, independence and diversity (including gender diversity) on an annual basis. In relation to remuneration matters, the NRC is responsible for,

	amongst others, the following: (i) To establish and review the policy on remuneration of Executive Directors, Non-Executive Directors, MD and CFO and that the remuneration packages are determined on the basis of the Directors', MD's and CFO's merit, qualification and competence, having regard to the Company's operating results, individual performance and comparable market statistics. (ii) To review the compensation policy and ensure alignment of compensation to corporate performance and compensation offered that are comparable with market practice; and (iii) To recommend the engagement of external professional advisors to assist and/or advise the Committee, on remuneration matters, where necessary. The NRC's TOR 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

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	:	Details of the remuneration for each of the Company Directors on a named basis received or to be received by them from the Company and its subsidiaries, and the Company for the financial year ended 31 March 2026 ("FY 2026") are set out in the table below:

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Tan Sri Sulong	Independent Director	150.0	14.4	Input info here	Input info here	Input info here	Input info here	164.4	150.0	14.4	Input info here	Input info here	Input info here	Input info here	164.4
2	Dato' Sri Dr Nick	Executive Director	100.0	9.6	995.4	204.6	45.8	144.0	1,499.4	115.0	9.6	995.4	204.6	45.8	144.0	1,514.4
3	Datuk Wira Lim	Executive Director	100.0	10.4	360.0	168.0	40.2	21.1	699.7	152.7	10.4	576.8	194.4	40.2	31.0	1,005.0
4	Stephen Wan	Independent Director	150.0	14.4	Input info here	Input info here	Input info here	Input info here	164.4	150.0	14.4	Input info here	Input info here	Input info here	Input info here	164.4
5	Chung Kin Mun	Non-Executive Non-Independent Director	100.0	12.8	Input info here	Input info here	Input info here	Input info here	112.8	100.0	12.8	Input info here	Input info here	Input info here	Input info here	112.8
6	Debbie Choa	Independent Director	100.0	8.0	Input info here	Input info here	Input info here	Input info here	108.0	100.0	8.0	Input info here	Input info here	Input info here	Input info here	108.0
7	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

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

Practice 8.2
The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application :	Departure	
Explanation on application of the practice :		
Explanation for departure :	The Board is of the view that disclosure of Senior Management remuneration on named basis would not be in the best interests of the Company, given the highly competitive market for personnel possessing the requisite skills, knowledge, expertise and experience. Such disclosure may also give rise to recruitment and talent retention challenges.	
	The aggregate remuneration of top five Senior Management personnel received in FY2026 was amounted to RM 3.5 million. The top five Senior Management's remuneration (excluding Executive Directors) of the Company and its subsidiaries for FY2026 in alphabetical order are Alex Chan Choon Hoong, Cheong Kee Yoong, Herry Mukiat, Tan Suet Guan and Thevakumar Kaliaperumal. The remuneration value above is computed on an aggregate basis, taking into account the relevant personnel's salary, allowances, bonus, inclusive of employer contributions to provident fund, benefits-in-kind and other emoluments.	
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 AC Chairman is Mr. Stephen Wan, an Independent Director, who is not 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 observation of a cooling-off period of at least three years before a former audit partner is appointed as a member of the AC is embedded in the TOR of the AC. Currently, none of the AC members was a former key audit partner of the Company.	
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 AC conducts an annual assessment of the suitability, objectivity and independence of the external auditors prior to recommending their re-appointment to the Board.
		
		In carrying out the assessment, the AC considers, among others, the following factors:
		
		- Internal Assessment via feedback from the Company's management team, among others, as follow:
		  - appropriate qualifications and competency of the engagement team
		  - sufficient continuity of the audit team assigned to the engagement
		  - relevance industry focus and experience of the engagement team
		  - deliverables in terms of timeline as well as quality of the financial report
		- Annual written/verbal confirmation from Auditors' Independence Policies; and
		- Assurance from the Auditors Rotation of Partners and Managers.
		
		The external auditors, Deloitte Malaysia PLT, has provide confirmation to the AC that they have complied with the independence requirements set out in the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants.

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	:	Not Adopted
Explanation on adoption of the practice	:	

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.

<table>
<tr><td>Application :</td><td>Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td>The composition of the AC complies with Para 15.09 (c) of Chapter 15 of the Bursa Malaysia MMLR. In addition, the following criteria are used in assessing the suitability of the AC member by the NRC:

- Personality and characteristic
- Experience including financial literacy
- Skills and experience in evaluate data on the Company's business and risk environment
- Understanding on the Company's significant financial and non-financial risks
- Understanding on the Company's compliance processes
- Understanding of financial and statutory reporting requirements
- Understanding of the Company's significant accounting policies, accounting estimates and financial reporting practices

The qualification and experience of the individual AC members are set out in the Directors' Profile section in the AR2026.

AC members had during the financial year attended the relevant continuous professional development programmes to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules. Details of the training programmes attended by the AC members are set out in the Corporate Governance Overview Statement of the AR2026.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td></td></tr>
<tr><td></td></tr>
</table>

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 Board is responsibility for the organisation's risk management and internal control systems. Under the current risk governance structure, the Board is supported by the AC, to fulfil its fiduciary duties and oversight functions whereas the AC is supported by our outsourced internal auditors, PricewaterhouseCoopers Risk Services Sdn Bhd ("PwC RS"), external auditor, Deloitte Malaysia PLT, and at the management level, the SRAB. The effectiveness of the internal controls was reviewed by the AC in relation to the audits carried out by PwC RS during the financial year. Findings, together with actions taken by the management to address the issues presented by PwC RS were deliberated on during the AC meetings. Control Self-Assessment (CSA) environment has been adopted by the management in implementing its risk management practices. Through CSA, department heads and the risk reporting team who are directly involved in their respective operational areas, divisions, functions, or processes are empowered to assess and identify risks at the operational level.	
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 features of the Company's risk management and internal control framework, as well as the adequacy and effectiveness of the framework is described in the Statement of Risk Management and Internal Control of the Company's AR 2026. Key functions undertaken by those entrusted with risk management and internal control responsibilities as well as the measures being put in place to manage risks are also articulated in the said statement.	
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	:	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.

<table>
<tr><td>Application :</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">The Board has outsourced the internal audit function to an independent assurance provider, PwC RS, which was appointed by the AC.

The AC conduct an annual assessment of the effectiveness, independence and adequacy of the resources of PwC RS. The internal audit strategy and annual risk-based internal audit plan are presented to the AC for review and approval.

PwC RS provide independent and objective assurance and recommends improvement to the adequacy and effectiveness of the Group's governance, risk management and internal control processes.

The internal audit activities were conducted in accordance with generally acceptable internal auditing practices. The approach to be undertaken by PwC RS is as follow: -
- Planning discussions with management for business understanding and to identify focus area
- Identify and test selected controls within the focus area
- Develop recommendations in areas where improvements are required
- Conduct exit meeting and obtain management comments, proposed actions and implementation dates for the recommendations
- Presentation to the AC on the audit observations and recommendations</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

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	:	PwC RS and its engagement team are free from any relationships or conflicts of interest, which could impair their objectivity and independence. The number of engagement team members will depend on the complexity of each assignment. Specialised staff may be assigned when necessary. Staffs involved in the engagement team possess professional qualifications and/or a university degree that had passed the recruitment process of PwC Malaysia. The Engagement Partner is Encik Nik Shahrizal Sulaiman who has a broad range of experience in governance, risk, audit and compliance. Professionally, Encik Nik is an Associate Chartered Accountancy of the Institute of Chartered Accountants in England and Wales(ICAEW), a Chartered Financial Analyst (CFA), a certified Financial Risk Manager(FRM) accredited by the Global Association of Risk Professionals (GARP), and hold the Pasaran Kewangan Malaysia Certificate(PKMC) and he has over twenty-five years (25) of professional experience in the United Kingdom and Malaysia. The internal audit was conducted based on PwC RS own internal audit methodology which takes into considerations of International Professional Practice Framework.
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.

<table>
<tr><td>Application</td><td>:</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice</td><td>:</td><td colspan="2">The Board ensures that communication with shareholders and various stakeholders is effective, transparent and conduct on a regular basis. This facilitates the timely, accurate and equitable dissemination of information, thereby enabling stakeholders to have a clear understanding of the Group's financial performance, position and other material development.

The current various channels of communications are as follow:
- announcements via Bursa LINK
- disclosures on the Company's website
- annual report of the Company
- AGM/Extraordinary General Meeting ("EGM")
- Press release and analyst/media briefing if applicable

Save for AGM an EGM, the rest of the channels are accessible by the public.</td></tr>
<tr><td rowspan="2">Explanation for departure</td><td rowspan="2">:</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="4">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure</td><td>:</td><td colspan="2"></td></tr>
<tr><td>Timeframe</td><td>:</td><td></td><td></td></tr>
</table>

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	:		
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 13.1
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 has been practising distributing Notice of AGM to shareholders with at least twenty-eight (28) days prior to the date of AGM. In the last 44th AGM of the Company which was held on 29 August 2025, notice for the AGM was issued on 29 July 2025 which is more than 28 days' notice which is well in advance of the 21 days requirement of the Companies Act 2016 and the Bursa Malaysia MMLR. This allowed additional time for the Shareholders to consider the proposed resolutions tabled at the AGM and to make informed decisions accordingly.	
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 :	In the last AGM held on 29 August 2025, all the Directors of the Company, Senior Management, External Auditors and Company Secretary were present. The AGM was conducted in an orderly manner. All questions raised were answered 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

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.

<table>
<tr><td>Application :</td><td colspan="2">Departure</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">The 44th AGM of the Company was held physically to facilitate face to face engagement, foster stronger communication with the Company's shareholder and stakeholder

However, the Management always ensure that the AGM is convened at a venue that is easily accessible. Those shareholders who are unable to attend and vote at the AGM is entitled to appoint any person(s) as their proxy(ies) to attend, participate and vote on their behalf at the AGM, in accordance with the Company's Constitution.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

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.

<table>
<tr><td colspan="3">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.</td></tr>
<tr><td>Application :</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">Shareholders are given sufficient time to participate and engage with the Board and Senior Management at the last AGM.

Firstly, they are encouraged to submit their written questions at least one week before the AGM via email to the company share registrar, Boardroom Share Registrars Sdn. Bhd. and at the commencement of AGM 2025, the Chairman duly advised the shareholders that they were encouraged to submit their questions or queries during Questions and Answers Session in the AGM.

All the directors of the Company including the chairman of the BCs, external auditors and Senior Management members were present at the venue to respond to the shareholders' questions.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

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.

<table>
<tr><td colspan="3">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.</td></tr>
<tr><td>Application :</td><td colspan="2">Not applicable – only physical general meetings were conducted in the financial year</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">Please provide an explanation on how the practice is being applied.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

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.

<table>
<tr><td colspan="3">Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</td></tr>
<tr><td>Application :</td><td colspan="2">Departure</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2"></td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2">The key matters discussed during the AGM were uploaded onto the Company's website.</td></tr>
<tr><td colspan="2">Shareholders can write in to the Company Secretaries to request for a copy.</td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2">Please explain the measure(s) the company has taken or intend to take to adopt the practice.</td></tr>
<tr><td>Timeframe :</td><td>Choose an item.</td><td></td></tr>
</table>

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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