

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0290
COMPANY NAME : PANDA ECO SYSTEM BERHAD
FINANCIAL YEAR : December 31, 2025

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors (“the Board”) of Panda Eco System Berhad (“Panda” or “the Company”) plays a vital role in implementing the strategies and policies to ensure that it is conducted prudently within the framework of laws and policies. The Board’s main roles and responsibilities are clearly defined in its Board Charter which is available on the Company’s website at https://panda-eco.com.</p> <p>The Board has established and delegated certain responsibilities to three (3) Committees, namely Nomination Committee (“NC”), Remuneration Committee (“RC”), and Audit and Risk Management Committee (“ARMC”). The Board Committees are guided by their respective Terms of Reference (“TOR”) which are made available on the Company’s website at https://panda-eco.com. The Board Committees report to the Board on matters deliberated and their recommendations thereon.</p> <p>Board meetings are held on a quarterly basis to ensure that the strategic direction of the Company, as well as that of the Company and its subsidiaries (“the Group”), continues to support long term value creation.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>On 30 June 2025, the Company appointed Mr Cheok Kian Hing as the Non-Independent Non-Executive Chairman of the Company, following the resignation of the former Chairman on 1 December 2024. His profile is set out in the Directors' Profile of the Annual Report 2025.</p> <p>The Chairman of the Board is responsible for instilling good governance practices, providing leadership at the Board level, chairing meetings of the Company and the Board, representing the Board to shareholders and together with the Board, reviewing and approving the strategic objectives and policies of the Group. The Chairman also ensures that management's proposals are deliberated by the Directors and are thoroughly examined taking into account the interests of shareholders and other stakeholders.</p> <p>The detailed roles and responsibilities of the Chairman are clearly set out in the Board Charter, which is made available on the Company's website at https://panda-eco.com.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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	:	<p>On 30 June 2025, the Company appointed Mr Cheok Kian Hing as the Non-Independent Non-Executive Chairman of the Company, following the resignation of the former Chairman on 1 December 2024. Prior to the appointment, a Chairman was elected from among the Board members to chair the Board meetings.</p> <p>The Board has ensured that the positions of Board Chairman and Chief Executive Officer ("CEO") are held by different individuals. A clear division of roles and responsibilities between Board Chairman and CEO has been established and provided in Board Charter. This is to ensure there is an appropriate balance of power and authority to promote accountability.</p> <p>The Chairman of the Board is responsible for instilling good governance practices, providing leadership at the Board level, chairing meetings of the Company and the Board, representing the Board to shareholders and together with the Board, reviewing and approving the strategic objectives and policies of the Group. The Chairman also ensures that management's proposals are deliberated by the Directors and are thoroughly examined taking into account the interests of shareholders and other stakeholders.</p> <p>The Company's CEO is Mr Loo Chee Wee, whose primary responsibilities are to oversee the day-to-day running of the business and operations of the Group, and to implement the strategies and policies of the Board.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Departure
Explanation on application of the practice :	
Explanation for departure :	<p>The Chairman of the Board, Mr Cheok Kian Hing (appointed on 30 June 2025) is not a member of the Board Committees. However, the Chairman was invited to participate in the Board Committees' meetings to provide valuable insights on matters discussed at the meetings.</p> <p>Notwithstanding his attendance at the Board Committees' meetings, he is not involved in the decision-making on any proposals and matters tabled for approval at such meetings.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by a Company Secretary who is experienced and qualified to act as a Company Secretary under Section 235(2) of the Companies Act 2016 ("CA 2016") and is a registered holder of the Practising Certificate issued by the Companies Commission of Malaysia. All Directors have access to the advice and services of the Company Secretary to enable them to discharge their duties effectively.</p> <p>The Company Secretary works closely with the Board and Board Committees and plays an important role in the implementation of corporate governance by advising the Board and its Committees on compliance with the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the CA 2016 and other relevant laws and regulations.</p> <p>The Company Secretary attends and ensures that all Board and Board Committees meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained in the statutory records of the Company.</p> <p>The roles and responsibilities of the Company Secretary are set out in the Board Charter, which is accessible on the Company's website at https://panda-eco.com.</p> <p>The Company Secretary keeps abreast of relevant corporate governance and regulatory requirements by undertaking continuous professional development.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.6

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has full and unrestricted access to all information within the Group. The notice of meetings is served at least seven (7) days prior to the meetings. Relevant Board papers were circulated to all Directors within a reasonable period prior to the meeting to ensure that the Directors have sufficient time to evaluate and review the proposals for a better discussion at the meetings.</p> <p>The dates of meetings for the following financial year are set a year in advance so that the Directors can plan their schedules and attendance ahead of time.</p> <p>The minutes of meetings are tabled for confirmation as a correct record of the proceedings at the subsequent meetings and signed by the Chairman. Any outstanding matters arising were also tracked and reviewed by the Board at the next meeting.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>In performing its duties, the Board is guided by the Board Charter that set out amongst others, its roles, composition, responsibilities, powers, Board Committees and Board meeting procedures. The key elements of governance principles embedded in the Board Charter regulate the Board's conduct and guide the business strategic initiative of the Group.</p> <p>The Board would regularly review the Board Charter and TOR of the Board Committees to ensure they remain consistent with the Board's objective and responsibilities, and relevant standards of corporate governance.</p> <p>The Board Charter is available on the Company's website at https://panda-eco.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Group has in place a Code of Conduct for Directors and employees. The said Code is available at the Company's website at https://panda-eco.com.</p> <p>The Board would regularly review the above Code to ensure relevancy and alignment with the prescribed requirements and best corporate governance practices. The Board is mindful of its leadership in business ethics practices as one of the key elements of business sustainability.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has formalised a Whistleblowing Policy and Procedures to promote good business conduct and maintain business integrity. It recognises whistleblowing as an important mechanism for the prevention and detection of improper conduct, harassment or corruption in the conduct of the Group’s business and operations.</p> <p>The Whistleblowing Policy and Procedures is applicable to all stakeholders (including employees, customers, suppliers, government bodies and financial institutions) and third parties who may be aware of or genuinely know or reasonably believe that an employee of the Group has engaged, is engaging or is preparing to engage in any improper conduct.</p> <p>The Whistleblowing Policy and Procedures is published on the Company’s website at https://panda-eco.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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 acknowledges the importance of incorporating sustainability considerations into the business and corporate activities of the Group. Sustainability related activities undertaken has been disclosed in the Sustainability Statement of the Company’s Annual Report 2025.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.2

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

Application	:	Applied	
Explanation on application of the practice	:	The practices that have been adopted by the Company to engage with the internal and external stakeholders are disclosed in the Sustainability Statement in the Annual Report 2025.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board understands the importance of sustainability creation and has identified its stakeholder engagement groups as well as relevant areas of sustainable management in the Sustainability Statement as set out in the Company's Annual Report 2025.</p> <p>The Board is committed to keep abreast with and understand the sustainability issues relevant to the business of the Group. The Board and key management personnel will attend the necessary training courses to equip themselves with the knowledge in addressing matters pertaining to Environmental, Social and Governance.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board performance evaluation for the FYE 2025 has included the performance and effectiveness assessment on sustainability, amongst others,</p> <ul style="list-style-type: none"> • Proactiveness of the Board in integrating sustainability considerations into corporate strategy, governance and decision-making; • Effectiveness of the Board in addressing the Group’s material sustainability risks and opportunities. 	
Explanation for departure	:		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board and NC are always mindful to ensure that the Board requires the right composition of individuals with an appropriate mix of skills, knowledge, experience and independency in order to achieve the Company's strategic goals.</p> <p>The effectiveness of the Board as a whole, the contribution of each Director, and the performance of the Board and Board's various Committees will be assessed on an annual basis.</p> <p>The tenure of each Director will be reviewed by the NC and the annual re-election of retiring Directors has been contingent on a satisfactory evaluation of the retiring Directors' performance and contribution to the Board.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board currently comprises six (6) members, consisting of one (1) Non-Independent Non-Executive Chairman, three (3) Independent Non-Executive Directors and two (2) Executive Directors.</p> <p>The Board composition complies with the recommendation of the Malaysian Code on Corporate Governance 2021 (“MCCG”) of which at least 50% of the Board is independent directors.</p> <p>The Board believes that the current size and composition reflect an appropriate balance of Independent and Executive Directors, which is adequate for the scope and nature of the Group’s business and operations.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>As stated in the Board Charter, the tenure of an independent director shall not exceed a cumulative term of twelve (12) years. Upon completion of twelve (12) years, an independent director may continue to serve on the Board subject to the director's redesignation as a non-independent director. If the Board would like to retain an Independent Director beyond nine (9) years but less than twelve (12) years, the Board must justify and seek shareholders' approval through a two-tier voting process at the Company's annual general meeting.</p> <p>Currently, none of the independent directors in the Company has served for nine (9) years.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 - Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The current Board consists of Directors from diverse backgrounds and specialisation, collectively bringing with them a wide range of experience and expertise in areas such as financial and accounting, legal practice, business administration which could provide the Company with considerable experience in a wide range of activities.</p> <p>The NC plays an important role in monitoring Board effectiveness. The responsibilities of NC are as follows:</p> <ul style="list-style-type: none">(a) To review the criteria to be used in the recruitment of Director and Senior Management;(b) To review the re-appointment and re-election process of Directors having due regard to their performance and ability to continue to contribute to our Board in the light of knowledge, skills and experience required;(c) To formulate a Fit and Proper Policy and to ensure that all Directors fulfil the fit and proper criteria and for conducting assessments of the fitness and propriety of candidates to be appointed onto our Board and Directors who are seeking for re-election; and(d) To assess and make recommendations to our Board with regard to any appointment of Directors. <p>According to the Company's Board Charter, any Board member, whilst holding in office, is at liberty to accept other board appointments so long as the appointment is not in conflict with the business of the Company and does not detrimentally affect the Director's performance as a Board member. All such appointments must first be notified to the Board Chairman before being accepted. The notification should include an indication of time that will be spent on the new appointment.</p>

	<p>Our Board has adopted the Fit and Proper Policy, which will enhance the governance of the Company in relation to the Board’s quality and integrity, as well as ensure that each Director has the character, experience, integrity, competence, time and commitment to effectively discharge his role as a Director.</p> <p>The prescribed criteria for the appointment and re-election of Directors are stipulated in the Company’s Fit and Proper Policy which are available on the Company’s website at https://panda-eco.com.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

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	:	<p>Appointment of new Director is undertaken by the Board as a whole after considering the recommendation of the NC.</p> <p>Potential candidates may be proposed by any current Board member, shareholder or by utilising independent sources such as recruitment firms or through industry associations. In considering potential candidates for appointment, the NC undertakes a thorough review of the candidate's criteria, amongst others, qualifications, skills, knowledge, expertise, experience, personal attributes and the capability to devote the necessary time and commitment to the role.</p> <p>The final decision as to whom shall be appointed remains the responsibility of the Board as a whole.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board ensures that shareholders are kept informed on any changes in the composition of the Board and Board Committees via announcements on Bursa LINK within the prescribed timeline under the AMLR of Bursa Securities.</p> <p>The information on the re-election of the retiring directors as well as the Board's statement on the re-election of the Directors are set out in the Explanatory Notes to the Notice of the Fourth Annual General Meeting ("AGM") for shareholders to make an informed decision on the re-election of the retiring directors.</p> <p>The profile of the Directors who are due for retirement and eligible for re-election are set out in the Company's Annual Report 2025.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The NC is chaired by Ms Siew Suet Wei, an Independent Non-Executive Director of the Company.</p> <p>The profile of Ms Siew Suet Wei is available on page 17 of the Company's Annual Report 2025.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	Although the Company has yet to adopt a gender diversity policy, our Board is already advocating gender diversity by having two (2) female Directors, representing 33% of the Board composition, with the objective of bringing diversity to the Board’s deliberation and decision-making process, and to encourage women participation on the Board.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	In the absence of a formal written policy on gender diversity, the Board acknowledges and supports the principles of diversity across gender, ethnicity, and age. Our Board recognises that such diversification enhances the collective skills, talents, perspectives, and innovative ideas within both the Board and Senior Management.	
		The Group operates as an equal opportunity employer, maintaining a consistent practice of non-discrimination, irrespective of age, gender, race or religion.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: The Company conducted evaluation on each of the individual Directors, Board and Board Committees to ensure the effectiveness of the overall Board in discharging its duties and responsibilities. All Directors have provided feedbacks on their peer's performance and individual performance contributed to the Board. The feedback/comments were summarised and discussed at the NC meeting, then reported by the NC Chairperson to the Board for notation. Our Board was satisfied with the results of the annual assessment and that the current size and composition of our Board is well balanced with the right mix of skills. Based on the evaluation of the effectiveness of the Board Committees of the Company, the NC assessed and concluded that the three (3) Board Committees, namely the ARMC, NC and RC, have discharged their respective functions effectively during the FYE 2025. The Independent Directors of the Company have fulfilled and complied with the criteria of independence under the AMLR of Bursa Securities.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The RC was established to assist the Board in developing remuneration policies and procedures of the Directors and Key Senior Management ("KSM").</p> <p>The RC conducts an annual review of Directors' remuneration prior to recommendations to the Board for approval. This review encompasses a range of factors, including the Directors' fiduciary duties, the expected time commitment and expertise associated with their roles, and the overall performance of the Company.</p> <p>The remunerations packages for Executive Directors ("EDs") and KSM are presented to and reviewed by the RC. This review, based on the following considerations, precedes any recommendation to the Board for approval:</p> <ul style="list-style-type: none">(a) Technical competency, skills, expertise and experience;(b) Qualification and professionalism;(c) Performance and contributions;(d) Responsibilities and scope of duties; and(e) Industry benchmarking. <p>A fair, reasonable, and competitive remuneration package has been implemented for the EDs and KSM to support the Company's objective of attracting and retaining high-caliber personnel.</p> <p>The fees and any benefits payable to the Independent Non-Executive Directors shall be subject to annual shareholders' approval at the AGM of the Company.</p>

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 7.2

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

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

Application	: Applied
Explanation on application of the practice	<p>The RC, comprises exclusively of Independent Non-Executive Directors and was established to assist the Board in implementing the Company's policies and procedures on remuneration and to undertake the following responsibilities:</p> <ul style="list-style-type: none"> (a) To review and make recommendations to the Board the remuneration policies and packages of the EDs, CEO and KSM of our group; (b) To review and make recommendations to the Board on the Directors' fees and other remuneration of the Non-Executive Directors and Independent Directors linking the level of remuneration to their level of responsibilities and contribution to the Group; and (c) To review policy governing the remuneration of Directors as well as policies governing remuneration and promotion of KSM of our Group annually. <p>The RC was governed by its TOR, which is available on the Company's website at https://panda-eco.com.</p>
Explanation for departure	:

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

Measure :		
Timeframe :		

Intended Outcome

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 remuneration of Directors for the FYE 2025 is disclosed on a named basis together with the remuneration breakdown as 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	Cheok Kian Hing (Appointed on 30 June 2025)	Non-Executive Non-Independent Director	36,000.00	2,000.00	-	-	-	-	38,000.00	36,000.00	2,000.00	48,000.00	6,000.00	-	7,000.80	99,000.80
2	Loo Chee Wee	Executive Director	-	-	-	-	-	-	-	-	-	588,000.00	72,000.00	-	126,793.66	786,793.66
3	Tay Kheng Seng	Executive Director	-	-	-	-	-	-	-	-	1,000.00	588,000.00	72,000.00	-	126,793.66	787,793.66
4	Chan Kam Chiew	Independent Director	73,500.00	5,000.00	-	-	-	-	78,500.00	73,500.00	5,000.00	-	-	-	-	78,500.00
5	Dato' Leanne Koh Li Ann	Independent Director	68,833.33	5,000.00	-	-	-	-	73,833.33	68,833.33	5,000.00	-	-	-	-	73,833.33
6	Siew Suet Wei	Independent Director	66,750.00	5,000.00	-	-	-	-	71,750.00	66,750.00	5,000.00	-	-	-	-	71,750.00

Intended Outcome

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

Practice 8.2

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

Application	:	Departure															
Explanation on application of the practice	:																
Explanation for departure	:	<p>In view of the sensitivity for talent search in the competitive market and to the best interest of our Group, our Board has opted not to disclose on named basis, the remuneration of the top five (5) KSM.</p> <p>Premised on the confidentiality of the remuneration package of the Senior Management, the Board has adopted a disclosure of the Senior Management remuneration set out below in the bands of RM50,000 on an unnamed basis:</p> <table border="1" data-bbox="589 1115 1378 1360"> <thead> <tr> <th>Remuneration Value</th> <th>Number of Senior Management</th> </tr> </thead> <tbody> <tr> <td>RM50,001 - RM100,000</td> <td>-</td> </tr> <tr> <td>RM100,001 - RM150,000</td> <td>-</td> </tr> <tr> <td>RM150,001 - RM200,000</td> <td>1</td> </tr> <tr> <td>RM200,001 - RM250,000</td> <td>-</td> </tr> <tr> <td>RM250,001 - RM300,000</td> <td>3</td> </tr> <tr> <td>RM300,001 - RM350,000</td> <td>-</td> </tr> </tbody> </table>		Remuneration Value	Number of Senior Management	RM50,001 - RM100,000	-	RM100,001 - RM150,000	-	RM150,001 - RM200,000	1	RM200,001 - RM250,000	-	RM250,001 - RM300,000	3	RM300,001 - RM350,000	-
Remuneration Value	Number of Senior Management																
RM50,001 - RM100,000	-																
RM100,001 - RM150,000	-																
RM150,001 - RM200,000	1																
RM200,001 - RM250,000	-																
RM250,001 - RM300,000	3																
RM300,001 - RM350,000	-																
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>																	
Measure	:																
Timeframe	:																

No	Name	Position	Company					
			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

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 ARMC is chaired by an Independent Non-Executive Director, Mr Chan Kam Chiew, while the Board is chaired by Mr Cheok Kian Hing (appointed on 30 June 2025). This separation of positions is to ensure that the Board’s review of ARMC’s findings and recommendations are not impaired.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>Presently, none of the ARMC members was a former key audit partner of the Company’s auditors.</p> <p>In line with the MCCG, our Board has adopted the TOR outlined that a former key audit partner is required to observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC. The TOR of ARMC is available on the Company’s website at https://panda-eco.com.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>Our Board, through its ARMC maintains a formal and transparent relationship with its External Auditors. Our Board had delegated the responsibility to the ARMC for making recommendations on the appointment, re-appointment or removal of the External Auditors as well as on their remunerations. The ARMC ensured the External Auditors work closely with the Internal Auditors to enhance the effectiveness of the overall audit process.</p> <p>The ARMC has received an assurance from External Auditors confirming that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</p> <p>Our Board upon the recommendation of the ARMC, was satisfied with the independence of the External Auditors and had recommended to the shareholders for approval at the forthcoming AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted																		
Explanation on adoption of the practice	:	<p>The TOR of the ARMC states that the ARMC shall comprise not less than three (3) members consisting wholly of non-executive Directors, a majority of whom are independent. The Chairman of the ARMC shall be an Independent Non-Executive Director.</p> <p>The composition of the ARMC is as follows:</p> <table border="1" data-bbox="574 829 1380 1068"> <thead> <tr> <th data-bbox="574 829 662 863">No.</th> <th data-bbox="662 829 967 863">Name</th> <th data-bbox="967 829 1135 863">Designation</th> <th data-bbox="1135 829 1380 863">Directorship</th> </tr> </thead> <tbody> <tr> <td data-bbox="574 863 662 932">1.</td> <td data-bbox="662 863 967 932">Chan Kam Chiew</td> <td data-bbox="967 863 1135 932">Chairman</td> <td data-bbox="1135 863 1380 932">Independent Non-Executive Director</td> </tr> <tr> <td data-bbox="574 932 662 1001">2.</td> <td data-bbox="662 932 967 1001">Dato' Leanne Koh Li Ann</td> <td data-bbox="967 932 1135 1001">Member</td> <td data-bbox="1135 932 1380 1001">Independent Non-Executive Director</td> </tr> <tr> <td data-bbox="574 1001 662 1068">3.</td> <td data-bbox="662 1001 967 1068">Siew Suet Wei</td> <td data-bbox="967 1001 1135 1068">Member</td> <td data-bbox="1135 1001 1380 1068">Independent Non-Executive Director</td> </tr> </tbody> </table>			No.	Name	Designation	Directorship	1.	Chan Kam Chiew	Chairman	Independent Non-Executive Director	2.	Dato' Leanne Koh Li Ann	Member	Independent Non-Executive Director	3.	Siew Suet Wei	Member	Independent Non-Executive Director
No.	Name	Designation	Directorship																	
1.	Chan Kam Chiew	Chairman	Independent Non-Executive Director																	
2.	Dato' Leanne Koh Li Ann	Member	Independent Non-Executive Director																	
3.	Siew Suet Wei	Member	Independent Non-Executive Director																	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company complies with Rule 15.09(1)(c) of the AMLR of Bursa Securities, where all members of the ARMC are financially literate and are able to analyse and interpret financial statements in order to effectively discharge their duties and responsibilities. The Chairman of the ARMC is qualified as a Certified Public Accountant and is a member of the Malaysian Institute of Certified Public Accountants (“MICPA”). He is also a member of the Malaysian Institute of Accountants (“MIA”), the Institute of Corporate Directors Malaysia and the MFRS Application and Implementation Committee of the Malaysian Accounting Standards Board (“MASB”). The qualification and experience of the respective ARMC members are disclosed in the Directors’ Profile in pages 15 to 17 of the Company’s Annual Report 2025.</p> <p>The ARMC assists our Board in reviewing our Group’s financial reporting process and accuracy of its financial results and scrutinising information for disclosure to ensure reliability and compliance with the applicable financial reporting standards.</p> <p>All members of the ARMC undertake and will continue to undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules as and when required to enable them to effectively discharge their duties.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>Our Group’s risk management and internal control framework is an ongoing process, and has been in place for identifying, evaluating and managing significant risks that faced or potentially to be encountered by the Group. Our Board regularly reviews the process.</p> <p>Our Board has established an Internal Audit Function which is currently outsourced to an independent internal audit firm (“Internal Auditors”). Functionally, the Internal Auditors report to the ARMC directly and they are responsible for conducting regular reviews and appraisals of the effectiveness of the governance, risk management and internal controls and processes within our Group.</p> <p>The Statement on Risk Management and Internal Control of the Group which provides an overview of the state of internal control within the Group, is set out in the Annual Report 2025.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The ARMC assists our Board to oversee and review the effectiveness of our Group’s risk management and internal control systems. To facilitate effective monitoring, our Board regularly receives reports from the Management on any business risks related to its business activities that have impacted or likely to impact the Company from achieving its objectives and strategies.</p> <p>Our Group’s system of internal controls is regularly reviewed for its effectiveness in managing key risks. The internal audit function focuses on areas of priority as determined by the risk assessment of the auditable areas. Where significant weaknesses have been identified, improvement measures are recommended to strengthen controls.</p> <p>The internal audit reports are tabled at ARMC meetings for review.</p> <p>Details of the features of risk management and internal control framework, and the adequacy and effectiveness of the framework are disclosed in the Statement of Risk Management and Internal Control of the Company’s Annual Report 2025.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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	:	<p>Our Board did not establish a separate Risk Management Committee. Instead, it was combined with the Audit Committee and named as ARMC.</p> <p>The ARMC, which comprises solely the Independent Non-Executive Directors, oversees the effectiveness and adequacy of our Group's risk management framework and policies.</p>

Intended Outcome

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

Practice 11.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>Our Group's internal audit function is carried out by an outsourced internal audit firm, namely, Resolve IR Sdn Bhd, which is independent of the activities it audits. Our Board, through the ARMC conducts annual review on the effectiveness of the internal audit function including assessing the quality of audit review and ensuring that the Internal Auditors have sufficient knowledge and experience to perform their role effectively.</p> <p>In performing its duties, the Internal Auditors has free and unfettered access to information and to meet with any of the department heads or persons-in-charge. The identified audit issues are followed up by the Internal Auditors and the status is reported to the ARMC.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>Our Group’s internal audit function is carried out by an outsourced internal audit firm, namely, Resolve IR Sdn Bhd, which is independent of the activities it audits. The internal audit function is carried out in accordance with the International Professional Practices Framework issued by the Institute of Internal Auditors.</p> <p>The Head of the Internal Auditors is a fellow of the Association of Chartered Certified Accountants of UK, Chartered Accountant of Malaysian Institute of Accountants and Chartered Member of the Institute of the Internal Auditors Malaysia and has a diverse professional experience in internal audit, risk management and corporate governance advisory. The engagement team consists of two (2) to three (3) personnel.</p> <p>The Internal Auditors are free from any relationship or conflicts of interest, which could impair their objective and independence.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is mindful on the importance of maintaining proper corporate disclosure procedures with the aim to provide shareholders and investors with comprehensive, accurate and quality information on a timely basis.</p> <p>The Company has in place the following initiatives to facilitate effective communication with its shareholders:</p> <ul style="list-style-type: none">(a) The Company's corporate website, https://panda-eco.com is accessible to the public and serves as another platform to communicate with the shareholders, investors and the general public;(b) The Annual Report, which contains information such as Management Discussion and Analysis, financial statements, and information on the ARMC, Corporate Governance, Sustainability Statement, and Risk Management and Internal Control;(c) Announcements made to Bursa Securities, which include timely release of financial results on a quarterly basis. Concurrent with these releases, the Company posts all announcements on its website;(d) The AGM and Extraordinary General Meeting ("EGM") which serves as the principal forum for dialogue and interaction between the Board and shareholders; and(e) Attending to shareholders' and investors' emails and phone enquiries.
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	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Notice of the Third AGM (“3rd AGM”) of the Company held on 26 May 2025 was sent to shareholders on 25 April 2025, which is more than twenty-eight (28) days prior to the date of the 3rd AGM, to allow shareholders to have sufficient time to consider the resolutions that will be tabled at the AGM and make the necessary attendance and voting arrangements.</p> <p>The notice convening the forthcoming AGM of the Company in 2026 will be sent to shareholders at least twenty-eight (28) days prior to the date of the AGM.</p> <p>The Notice of AGM was accompanied with explanatory notes to shareholders regarding their entitlement to attend the AGM and their rights to appoint a proxy as well as detailed explanations for each resolution to be tabled at the AGM to enable shareholders to make informed decision in exercising their voting rights.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>All Directors including the Chair of all the respective Board Committees had attended the general meetings held in year 2025 to engage directly with shareholders and be accountable for their stewardship of the Company.</p> <p>The External Auditors was also in attendance to answer to the shareholders' questions.</p> <p>The minutes of the general meetings are made available to the shareholders and the public for viewing at the Company's website.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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 3 rd AGM and EGM of the Company were held physically at Ames Hotel Melaka, Jalan PKAK 2, Pusat Komersial Ayer Keroh, 75450 Ayer Keroh, Melaka. In the event the shareholders are unable to attend the 3 rd AGM and EGM, the shareholders are allowed to appoint proxy to attend, vote and speak in his/her stead.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.4

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

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	:	At the commencement of the 3 rd AGM and EGM, the Chairman of the meetings briefed the shareholders, corporate representatives and proxies present physically at the Meeting of their right to ask questions and vote on the resolutions set out in the Notice of the 3 rd AGM and EGM. The Chairman of the meetings encouraged active participation by the shareholders during the AGM and EGM. Shareholders were given the opportunity to seek clarification on any matters pertaining to the business activities and financial performance of our Group. All Directors and KSM were in attendance to answer to the shareholders’ questions.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.5

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

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.

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

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The minutes of the 3 rd AGM and EGM were uploaded to the Company's website no later than 30 business days after the 3 rd AGM and EGM respectively.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

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

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

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