

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7252
COMPANY NAME : TEO SENG CAPITAL BERHAD
FINANCIAL YEAR : December 31, 2025

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	: Applied
Explanation on application of the practice	<p>The Board of Directors ("Board") assumed full responsibilities for the overall performance of the Company and its subsidiary companies (collectively "the Group") by setting the policies, establishing goals, monitoring the achievement of the goals through strategic plans, careful stewardships of the Group assets and resources.</p> <p>The Board discharge its duties and responsibilities at all times in meeting the goals and objectives by delegating responsibilities to the Committees Members:</p> <ul style="list-style-type: none">i. Audit Committee ("AC")ii. Nomination Committee ("NC")iii. Remuneration Committee ("RC")iv. Risk Management Committee ("RMC") <p>The Board helms by providing leadership, guidance in achieving the corporate goals and managing the process to ensure the discharging of its duties.</p> <p>During the financial year ended 31 December 2025, the Board had carried out the following activities:</p> <ul style="list-style-type: none">a. Governance and Compliance The Board remains committed to achieve the highest standards of corporate governance and integrity:<ul style="list-style-type: none">i. reviewed and approved the Board Composition including the appointment, re-election and redesignation of any Directorship;ii. assessed the performance of Key Management Personnel;iii. reviewed, deliberated and approved the quarterly results and announcements;iv. reviewed and approved the publication of the informative Annual Report with disclosures;v. reviewed the Group's ESG Sustainability Plan.

	<p>b. Business Strategies, Budget and Financial Performance The Board deliberated on the Group’s strategic business plans, annual budget, risk management and internal control framework, market developments, financial performance, ESG sustainability and corporate governance matters, with a focus on ensuring the Company’s long-term operational resilience and financial sustainability.</p> <p>c. Supervision and Assessment of Management Performance The Board monitored the implementation of the Group’s business plans and assessed operational performance and risk management through discussions with Key Management Personnel on strategic initiatives. The Board was regularly updated on the Group’s performance, enabling it to review progress against strategic objectives and identify areas requiring attention or improvement. Through these engagements, Management gained valuable insights and guidance from the Board, supporting more informed and effective decision-making.</p> <p>d. Adequate and Integrity of Internal Control System The Board is responsible for ensuring the adequacy and integrity of the Group’s internal control systems across all operating departments. The framework is designed to review processes and procedures, monitor compliance and strengthen operational and financial controls.</p> <p>An internal audit function which reports to the AC, provides independent assurance on the effectiveness of these controls. The audit findings and recommendations were reviewed by the AC and the Board and corrective actions were implemented to address identified weaknesses.</p> <p>e. Identifying and Mitigation of Principal Risks Enterprise Risk Management and Sustainability Governance (“ERMSG”) framework is in place across the Group’s business segments. The Management identifies and manages the key risks, which are reviewed by the RMC and reported to the Board. The Board has received assurance from the Managing Director and the Group Finance Director that the Group’s risk management and internal control systems are adequate and effective in all material respects.</p> <p>f. Succession Planning The Board ensures that candidates appointed to the Board or key management positions possess the necessary competencies and calibre. The succession planning for Key Management Personnel (“KMP”) is delegated to the NC and RC.</p>
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	<p>The NC is responsible for reviewing and assessing suitable candidates for Senior Management positions through a structured nomination, selection and succession policy. This process ensures that the candidates possess the appropriate skills, expertise, experience, professionalism and knowledge. The NC then makes recommendations to the Board and relevant Board Committees.</p> <p>RC is responsible to review the fair remuneration package for the appointments. NC and RC are annually evaluated by the Board to maintain integrity and objectivity.</p> <p>g. Investor Relations Programme and Effective Communication with Shareholders/Stakeholders Teo Seng conducts briefings, dialogues and meetings with existing and prospective investors to keep them informed of the Group's latest developments. Updates are also disseminated through announcements to Bursa Malaysia via Bursa LINK, as well as through the Company's Annual Report and corporate website.</p> <p>h. Integrating Sustainability into Corporate Strategy, Governance and Decision-making The Board embeds sustainability principles into the Group's strategic direction through the Sustainability Steering Committee, ensuring that business decisions reflect stakeholder interests while responsibly managing environmental and social impacts to support sustainable growth and long-term stakeholder confidence.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman is an elected Board Member to provide leadership at Board level and represents the Board to the shareholders and stakeholders.</p> <p>The Chairman is responsible for ensuring of integrity and effectiveness of the Board and its Committees.</p> <p>The key role of the Chairman amongst others, are as follows:</p> <ol style="list-style-type: none"> i. ensure that the Board functions effectively, cohesively and independently of Management; ii. providing governance in matters requiring corporate justice and integrity; iii. leading the Board, including presiding over Board meetings, Company meetings and directing Board discussions to effectively addressing the critical issues within the timeframe; iv. promoting constructive and respectful relationship between Board Members and the Management; v. to ensure the effectiveness in communication between the Company and/or Group and its shareholders/stakeholders. <p>The roles and responsibilities of the Chairman are clearly defined in the Board Charter and available at www.teoseng.com.my</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The roles of the Chairman and the Managing Director ("MD"), who is acting as CEO are distinct and separated to ensure a balance of power and accountability.</p> <p>Mr. Lau Jui Peng serves as Chairman of the Board, while Mr. Nam Hiok Joo is the MD of the Group.</p> <p>The Chairman represents the Board to the shareholders/stakeholders and responsible for the achievement of the Group's strategic vision, providing leadership at Board level, ensuring the integrity and effectiveness of the Board and its Committees.</p> <p>While the MD of the Group is responsible for the day-to-day management of the Group's businesses, organisational effectiveness and implementation of the Board strategies, policies and decisions.</p> <p>The delegation structure from the Board to MD is further cascaded to the Senior Management Team. Both MD and Senior Management Team remain accountable to the Board for the delegated authorities.</p> <p>MD as a Board Member, also acts as the intermediary between the Board and the Management for effective communication and is accountable on the Group's overall performance.</p> <p>The responsibilities of the Chairman and MD are defined in the Board Charter, which is published on www.teoseng.com.my</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 1.4

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	: Applied
Explanation on application of the practice	: The Chairman of the Board, Mr. Lau Jui Peng is not a member of Audit Committee, Nomination Committee and Remuneration Committee. He did not attend any of these committees' meeting nor attend by way of invitation during the financial year.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group has appointed qualified in-house and external Company Secretaries under Section 235 of the Companies Act 2016 who are also members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA").</p> <p>The Company Secretaries advise the Board on matters relating to the Company's Constitution, compliance obligations and internal policies and procedures in accordance with applicable laws and regulations. They also keep the Board informed of relevant statutory and regulatory developments, as well as evolving corporate governance best practices pertinent to the discharge of the Board's duties and responsibilities.</p> <p>The Company Secretaries organise and attend Board and Board Committee meetings, ensuring that the meetings are properly convened and the proceedings and resolutions are accurately recorded and maintained in the Company's statutory records.</p> <p>In upholding their competence and professionalism, the Company Secretaries attended relevant Continuing Professional Development ("CPD") programmes to enhance their knowledge and support the Board effectively in the discharge of its duties and responsibilities. The Board is confident in the competence and capability of the Company Secretaries in carrying out their roles and providing effective support 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

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 Notice and Agenda of Board meeting with the supporting board papers were circulated at least five (5) days prior to the meeting.</p> <p>The meeting agenda, minutes and board papers containing relevant information are provided to Board Members with due notice. This ensures they have sufficient time to review and consider matters for discussion, confirmation or deliberation during the meeting.</p> <p>KMPs are invited to attend meetings to stay informed about the Board's developments and strategic directions. Additionally, their presence allows them to provide further clarification and insights on relevant matters when required.</p> <p>The meeting proceedings were accurately minuted, documenting decisions along with any agreement or dissenting view. The minutes will be circulated to the Board Members in a timely manner and tabled for confirmation in the following 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>The Board is guided by the Board Charter, which sets out the principal roles of the Board, demarcation of the roles, responsibilities and authorities of the Board, Board Committees, Individual Directors and the Management.</p> <p>The Board Charter outlines the respective roles and responsibilities of the Board to enhance co-ordination and communication, clarify the accountabilities between the Board and the Senior Management for the benefits of the Group and its shareholders.</p> <p>The Board Charter is subject to periodic review and update in accordance to the needs of the Company and any new regulatory requirements that may have an impact on the discharge of the Board responsibilities.</p> <p>The Board Charter is available at www.teoseng.com.my</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has formalised Director's Code of Conducts and Ethics, and adopted the Employee Handbook with particular section dedicated for Employees' Code of Conducts and Ethics ("the Codes"), setting out the standard of conduct expected from directors and employees, including principles relating to duties of each of the directors and employees, conflict of interest, fair dealing to avoid insider dealing, prohibited activities such as bribery and corruptions, health and safety compliance to the law and regulations.</p> <p>Directors and employees are expected to uphold ethical and professional conduct at all times, fostering a culture of integrity, accountability and excellence. Their commitment to these principles enhances the Group's reputation, strengthens stakeholder trust and supports sustainable business performance. The Codes are available at www.teoseng.com.my</p> <p>The Board expects the Codes to be reviewed regularly along with the policies and procedures to ensure compliance and good practices by all parties.</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 Whistleblowing Policy (“the Policy”) established to provide a structured framework for whistleblowers to report concerns regarding improper conduct, malpractices, suspected violations of the Code of Conduct and Ethics, or compliance breaches within the Group. It also outlines procedures for independent investigations into reported incidents and the appropriate actions to be taken.</p> <p>With the implementation of the Policy, all whistleblowing reports are required to be addressed to the Chairperson of the Audit Committee or Independent Non-executive Director, via email or ordinary post.</p> <p>Whistleblowing Policy is available at www.teoseng.com.my</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	:	<p>The Board recognises its responsibility for the governance of sustainability and integrate sustainability consideration into the strategic direction of the Group's business operations. To oversee sustainability matters, the Sustainability Steering Committee was established, comprising senior management members. The Committee is chaired by the Chief Operating Officer of the Layer Farming Division, with the Group Finance Director and Senior Corporate Affairs Manager as members reporting to the Audit Committee of the Board.</p> <p>The Sustainability Steering Committee is tasked with the following duties and responsibilities:</p> <ul style="list-style-type: none">• Develop sustainable strategies, policies and goals with direct involvement from management and recommends necessary revision to the Board;• Provide comprehensive oversight and guidance on the Group's sustainability agenda, ensuring it aligns with the Group's values and commitment;• Review assessment of sustainability risks and opportunities and advise strategic positioning to the Board on emerging sustainability risks and opportunities;• Evaluate the effectiveness of sustainability strategies, policies, and goals;• Review and examine materiality assessment process and its outcomes and reports; and Group's sustainability statements prior to Board's approval; and• Recommend and align Group's sustainability-linked targets with performance evaluation of the Board and senior management.

	<p>By integrating sustainability considerations into its governance structure with senior management team involvement and engagement with key stakeholders, the Company is committed to addressing Economic, Environmental, Social & Governance (“EESG”) matters while driving long-term value creation.</p> <p>The Board reviewed material sustainability matters relevant to the Group’s businesses operations, the progress of sustainability initiatives reported in Sustainability Statement and updates to the Group’s EESG Sustainability Plan in line with latest disclosure requirements. Key EESG topics, including renewable energy, waste management, anti-corruption measures, internal controls and evolving regulatory requirements were deliberated. The discussions also covered shifts in the operating landscape that may impact business operations and the social community such as revisions to statutory minimum wage requirements. The Board, in collaboration with senior management, steered the implementation of company strategies to address challenges in a sustainable manner.</p>	
<p>Explanation for departure</p>	<p>:</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>:</p>	
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

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

Practice 4.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board through the established Sustainability Steering Committee engages with various Heads of Departments or Divisions in overseeing the established sustainability governance structure. Through this structure, communication channels are in place to disseminate information regarding the implementation of sustainability initiatives to employees across departments. This also facilitate employees being informed and engaged in the organisation's sustainability efforts.</p> <p>As an effective channel of internal communication, the implementation of new policies and procedure will be announced by internal memo and uploaded to employee's portal for downloading and perusal. In addition, new employee when joining the Group will be circulated with the Group's Anti-Corruption Policy and Procedure and be guided to access employees' online portal for access to other applicable Company's policies. Posters and notices are also used in workplaces and on notice boards to communicate important information to employees. This includes messages such as "Say no to sexual harassment" and information about safety and health measures relevant to the workplace. In addition, employees are being invited to participate in sustainability activities, including charity events, sports tournaments, weight management challenges, Zumba sessions and festive celebrations to enhance employee well-being and community impact.</p> <p>For external stakeholders, ongoing engagement and the Sustainability Statements in the Annual Report has been prepared to provide relevant information on the Group's development and contributions to prioritised sustainability matters. Additionally, the Company has enhanced the Investor Relations section on its official website to ensure the provision of relevant information to stakeholders in a concise, comprehensive and timely manner.</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

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 plays a key role in driving sustainability initiatives within the Group. Recognising the significance of staying abreast of sustainability issues pertinent to our business operations, the Management regularly reviewing and discussing the Group's EESG sustainability progress and performance. In addition, both the Board and Key Management Personnel ("KMP") will attend professional training focused on relevant subject matters in order to further enhance our commitment to integrating sustainability principles into our organisational culture and operations.</p> <p>All Board members attended Bursa Malaysia's Mandatory Accreditation Programme Part II: Leading for Impact. In addition, they also participated in training sessions covering risks management and cybersecurity awareness series, corporate governance, emerging legal and regulatory developments. These programmes strengthened the Board's capacity to identify, assess and respond effectively to sustainability-related risks and opportunities arising from the Group's operations.</p> <p>Beyond formal training, all Directors also participated in the Group's Productive Team Building with employees and senior management. This engagement fostered stronger leadership visibility, reinforced a culture of collaboration and demonstrated the Board's commitment to talent development and organisational well-being. Such involvement supports a cohesive workforce aligned with the Group's sustainability objectives and ethical values.</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

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	:	The Board and Key Management Personnel ("KMP") performance evaluation take into account their performance in addressing material sustainability risks and opportunities will be assessed by the Nomination Committee ("NC") annually. The NC has adopted the assessment forms for Board Members and KMP incorporating criteria for assessing their performance in addressing the Company's material sustainability risks and opportunities for financial year under review. The assessment criteria are aligned with recommendations outlined in the Corporate Governance Guide 4th Edition issued by Bursa Malaysia. The NC will continually review and adjust these criteria to ensure they reflect the evolving sustainability objectives of the Group.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

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

<i>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.</i>	
Application	: Adopted
Explanation on adoption of the practice	: <p>The strategic management of material sustainability matters rest with the Sustainability Steering Committee, chaired by the Chief Operating Officer, Layer Farming Division, Mr. Na Yi Chan, with members of Group Finance Director who is also the Risk Manager, Mr. Ng Eng Leng and Senior Corporate Affair Manager. The Chairperson of the Committee and Risk Manager delegated by the Board as the designated persons from the senior management team to coordinate and manage sustainability efforts and strategies of the Group. Collectively, the Sustainability Steering Committee reports to the Audit Committee ("AC"), through the AC reports to the Board on the Group's sustainability matters.</p> <p>Generally, the duties and responsibilities of the Sustainability Steering Committee include the following:</p> <ul style="list-style-type: none">a. Develop sustainable strategies, policies and goals with management involvement and recommend revisions to the Board;b. Provide oversight and guidance on the Group's sustainability agenda, ensuring alignment with its values;c. Review sustainability risks and opportunities, advising strategic positioning to the Board;d. Evaluate the effectiveness of sustainability strategy and policy;e. Review materiality assessments and sustainability statements before Board approval; andf. Recommend and align sustainability-linked targets with Board and senior management performance evaluations.

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>To ensure the effectiveness of the Board, the Nomination Committee ("NC") annually reviews the composition of the Board, including the skills, experience and diversity of individual directors. The review is based on a skills matrix that identifies any gaps in expertise to facilitate training and development program for directors as well as for the consideration of seeking out new director who can bring fresh perspectives to the Board when need arise.</p> <p>In addition, the NC also reviewed individual director's tenure to ensure that our directors continue to make meaningful contribution to the Board with effective check and balance. The recommendation for re-election of retiring directors subject to satisfactory evaluation of their performance and contribution to the Board. The evaluation considers the skills and expertise of individual directors, their contributions to board discussions and decision-making, and their adherence to corporate governance policies and procedures. In addition, directors standing for re-election were also required to submit their fit and proper declaration according to the Group Directors' Fit and Proper Policy.</p> <p>Through these practices, the NC ensures the Board is well-equipped to oversee the company's strategy and performance and are well-positioned to drive long-term value for our stakeholders.</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	:	The Board comprises a group of mix experienced individual, providing an effective check and balance, diverse view and perspective on the Group's businesses with 50% independent non-executive directors. The Board composition during the year as follows:														
		<table border="1"><thead><tr><th>Designation</th><th>No. of Director</th><th>%</th></tr></thead><tbody><tr><td>Executive Director</td><td>3</td><td>50</td></tr><tr><td>Independent Non-executive Director</td><td>3</td><td>50</td></tr><tr><td>TOTAL</td><td>6</td><td>100</td></tr></tbody></table>	Designation	No. of Director	%	Executive Director	3	50	Independent Non-executive Director	3	50	TOTAL	6	100		
Designation	No. of Director	%														
Executive Director	3	50														
Independent Non-executive Director	3	50														
TOTAL	6	100														
Explanation for departure	:															
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>																
Measure	:															
Timeframe	:															

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board comprises three Independent Non-Executive Directors, namely Mr. Lim Huey Hean, Ms. Lim Ying Khoo and Ms. Goh Wen Ling, all of whom were appointed on 26 May 2022.</p> <p>As at 31 December 2025, none of the current Independent Non-Executive Directors has served a cumulative term of more than nine years. The Board remains committed to periodically reviewing the tenure, independence and competencies of its directors to ensure continued objectivity, effectiveness and diverse perspectives in its deliberations and decision-making processes.</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 Board Skills Matrix Form is used for the annual evaluation and assessment of Director appointments, while the Annual Evaluation Form assesses Directors based on merit, considering diversity in skills, experience, age, background, gender, ethnicity and other relevant criteria. The current Board composition reflects a diverse mix of suitably qualified and experienced professionals from various fields. Board members dedicated time to understanding the Company's business and actively participate in events beyond the boardroom.</p> <p>The Directors serving on the Board are not politically active and devote sufficient time to attending and actively participating in Board meetings. In line with the Group's Directors' Fit and Proper Policies, the NC also reviews the fit and proper declarations of Directors standing for re-election and may request additional information or documents, if necessary, before recommending the proposed re-election to the Board for shareholders' approval.</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 5.6

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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board considers the potential candidates recommended by the existing Board Members, KMPs and/or major shareholders.	
		The Nomination Committee ("NC") performed an adequate assessment of proposed candidates to ensure that suitable candidates are recommended for Directorship to the Board. The NC considers the profile, qualifications, backgrounds, professions and experiences of candidates to ensure an appropriate mix of skills required for the Board's effectiveness. There was no new appointment to the Board during the financial year under review.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
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 5.7

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 appointment and re-appointment of Directors are communicated to the shareholders via announcement through BursaLINK, Notice of Annual General Meeting (“AGM”) introducing the candidates with their background, gender, age, experience and profession.</p> <p>At the 19th AGM of the Company, the profiles of the Directors standing for re-appointment were included in the Annual Report 2024. Based on the recommendation of the Nomination Committee (“NC”), the Board was satisfied with the assessment of the Directors' performance and supported the resolutions, providing justifications in the AGM notice for shareholders' approval.</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	:	Ms. Goh Wen Ling is Independent Non-executive Director of the Company who chairs the Nomination Committee.	
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	:	The Board comprises of 6 members, of whom 2 are women directors, representing 33% of the Board's composition. The Board's diversity and inclusivity with women directors' participation can bring a variety of perspectives and ideas to the decision-making process, which can be beneficial to the Company.	
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	:	The Company has established a Board Diversity Policy which considers various aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge, ethnicity and length of service. However, this policy has not yet been extended to senior management or key management personnel.	
		Gender diversity remains a priority for the Board in enhancing its performance and that of its committees. In the past year, the Board appointed two qualified women directors, Ms. Lim Ying Khoo and Ms. Goh Wen Ling, whose competencies, skills and extensive professional experience bring valuable perspectives and insights to Board deliberations, strengthening the Board's overall competency.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <p>Nomination Committee (“NC”) assessed and evaluated the effectiveness of the Board, Board Committees and each Director individually on annual basis.</p> <p>The evaluation process is multi-faceted and includes a range of assessments, such as Board and Committee evaluations, which involve an evaluation of the effectiveness of the Board and its Committees in fulfilling their respective roles and responsibilities. The process also includes directors and committee members’ self and peer evaluations, which provide with an opportunity to reflect on their performance for improvement.</p> <p>In addition to these evaluations, the Board also uses a Board Skill Matrix to assess the collective skills and expertise of its members. This tool enables the Board to identify any gaps in skills or expertise and take steps to address them, such as organising relevant training for skill 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

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 Group Remuneration Policy is designed based on the following principles:</p> <ol style="list-style-type: none"> 1. to attract and retain Directors and KMP of necessary calibre to lead the Company; 2. to motivate and incentivise Directors and KMP to achieve Company's business objectives; and 3. to align the interest of the Directors and long-term interest of the shareholders. <p>The Remuneration Guide serves as a base remuneration and benefit package to the Board and KMP, whereas the quantum of remuneration package is linked with performance evaluation. The remuneration and benefit package based on the following criteria:</p> <ul style="list-style-type: none"> ➤ experience, competencies and integrity ➤ performance, contribution and behaviour <p>Remuneration Policies and Procedures is available at www.teoseng.com.my</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	:		
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Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied							
Explanation on application of the practice	:	<p>Remuneration Committee ("RC") has been setup for the development and review of the remuneration package for the Board Members and KMPs, aiming to attract and retain Directors for a proper governance and smooth running of the Group.</p> <p>Current RC Composition:</p> <table border="1"> <tr> <td>Lim Huey Hean</td> <td>Chairman</td> </tr> <tr> <td>Lim Ying Khoo</td> <td>Member</td> </tr> <tr> <td>Goh Wen Ling</td> <td>Member</td> </tr> </table> <p>RC meets annually to review the remuneration package of the Board and KMPs, recommend to the Board for approval.</p> <p>The Term of Reference of RC and Remuneration Policies and Procedures is available at www.teoseng.com.my</p>		Lim Huey Hean	Chairman	Lim Ying Khoo	Member	Goh Wen Ling	Member
Lim Huey Hean	Chairman								
Lim Ying Khoo	Member								
Goh Wen Ling	Member								
Explanation for departure	:								
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>									
Measure	:								
Timeframe	:								

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	In align with the Code, remuneration of Directors is disclosed in detail on named basis.

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	Lau Jui Peng	Executive Director	-	-	180	-	-	36	216	-	-	660	3,000	-	1,592	5,252
2	Nam Hiok Joo	Executive Director	-	-	326	222	28	119	695	-	32	512	303	28	1,070	1,945
3	Loh Wee Ching	Executive Director	-	-	70	30	-	34	134	-	62	394	166	24	243	889
4	Lim Huey Hean	Independent Director	57	-	-	-	-	15	72	57	-	-	-	-	15	72
5	Lim Ying Khoo	Independent Director	55	-	-	-	-	14	69	55	-	-	-	-	14	69
6	Goh Wen Ling	Independent Director	55	-	-	-	-	14	69	55	-	-	-	-	14	69
7	Input info here	Independent Director	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	Independent Director	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	Independent Director	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	:	Applied – the company discloses the remuneration of members senior management who are not members of the board
Explanation on application of the practice	:	The Key Management Personnel (“KMP”) are as follow: <ul style="list-style-type: none">➤ Ng Eng Leng➤ Na Eluen➤ Na Yi Chan➤ Nam Ya Jun➤ Ku Leong Choon
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	:	

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Ng Eng Leng	Group Finance Director	450,001-500,000	Choose an item.	300,001-350,000	0-50,000	300,001-350,000	1,150,001-1,200,000
2	Na Eluen	Chief Marketing Officer, Layer Farming Division	500,001-550,000	Choose an item.	200,001-250,000	Choose an item.	250,001-300,000	1,000,000-1,050,000
3	Nam Ya Jun	Executive Director, Animal Health Products Division	400,001-450,000	Choose an item.	150,001-200,000	Choose an item.	200,001-250,000	850,001-900,000
4	Na Yi Chan	Chief Operating Officer, Layer Farming Division	450,001-500,000	Choose an item.	250,001-300,000	Choose an item.	300,001-350,000	1,050,001-1,100,000
5	Ku Leong Choon	Farm General Manager	200,001-250,000	Choose an item.	100,001-150,000	0-50,000	50,001-100,000	400,001-450,000

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	:	Mr. Lau Jui Peng is the Chairman of the Board, while Ms. Lim Ying Khoo is the Chairperson of Audit Committee.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Group does not appoint any former audit partner to be a member of Audit Committee ("AC") as of to date.</p> <p>Clause 2.6 of the Terms of Reference of the AC was updated to extend the cooling-off period for the engagement of a former audit partner from at least 2 years to 3 years before his/her appointment as an AC member in accordance with the recommended practice.</p> <p>The Term of Reference of AC is available at www.teoseng.com.my</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>Audit Committee ("AC") undertakes periodic or annual review and evaluation of the performance, independence, competencies and integrity of the External Auditors.</p> <p>AC reviews the written assurance from External Auditors reaffirming and confirming their independence throughout the audit engagement with the Company. This assurance is provided in accordance with the provisions of the By-Laws on Professional Independence of the Malaysian Institute of Accountants and the auditors' internal firm requirements.</p> <p>AC continues assessing the level of non-audit service rendered by the External Auditors to ensure that will not impair their objectivity and independence. Being satisfied with the performance, technical competence and audit independence, AC recommended the re-appointment of External Auditor to the Board, upon which to seek shareholders' approval in the Annual General Meeting("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	:	Current Audit Committee comprises solely Independent Directors as follows:	
		Lim Ying Khoo	Chairperson
		Lim Huey Hean	Member
		Goh Wen Ling	Member

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>Audit Committee ("AC") is expected to devote adequate time to update knowledge and latest developments through appropriate Continuing Professional Developments organised internally and externally.</p> <p>Ms. Lim Ying Khoo, the AC Chairperson is a member of Malaysian Institute of Accountants ("MIA"), Certified Practising Accountant (Australia) and Chartered Tax Institute of Malaysia ("CTIM"). She is financial literate with vast working experience in corporate accounting, secretarial and tax affairs.</p> <p>Mr. Lim Huey Hean possesses extensive expertise in the capital market and financial services industry, which enables him to offer the Board a wide range of diverse perspectives and valuable insights into financial matters, equipping the Board to make informed decisions.</p> <p>Ms. Goh Wen Ling's extensive experience in the legal industry has equipped her with the expertise to offer comprehensive and effective legal advice to the Group. As a partner of law firm and engagement in the Board of several listed companies, she is capable of understanding matters related to financial reporting under the purview of AC.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board remains committed to its responsibility for overseeing the Group's Enterprise Risk Management and Sustainability Governance Framework, ensuring that key risks including operational, financial, regulatory and compliance risks are effectively identified, assessed and managed.</p> <p>The Group adopts a proactive approach to risk management with continuous reviews and enhancements to strengthen risk mitigation strategies rather than eliminate risks entirely. This framework is designed to provide reasonable, though not absolute, assurance against material misstatement of information, fraud and losses.</p> <p>The Terms of Reference of the Risk Management Committee which governs risk oversight is available at www.teoseng.com.my</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	:	The features and details, adequacy and effectiveness of Risk Management and Internal Control Framework is disclosed in the Statement of Risk Management and Internal Control (“SORMIC”) on pages 64 to 67 of 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

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

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

Practice 10.3 - Step Up

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

Application	:	Adopted	
Explanation on adoption of the practice	:	The current Risk Management Committee ("RMC") composition as follows:	
		Nam Hiok Joo Executive Director	Chairman
		Lim Huey Hean Independent Non-executive Director	Member
		Lim Ying Khoo Independent Non-executive Director	Member

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The outsourced Internal Auditor (“IA”) is independent from the business activities of the Group. The Group Internal Audit Function (“GIA”) was carried out according to the approved Strategic Internal Audit Plan 2024-2026 by Audit Committee (“AC”) on 20 February 2024.</p> <p>AC reviewed and assessed the independence, integrity, competencies and resources sufficiency of the IA.</p> <p>The IA covers the following audit areas during the financial year ended 31 December 2025:</p> <ol style="list-style-type: none">1. Teo Seng Farming Sdn. Bhd. - Central Packaging Station Operation;2. Teo Seng Farming Sdn. Bhd. - Fertiliser Division Operation;3. Teo Seng Feedmill Sdn. Bhd. - Procurement-to-Payment; and4. Teo Seng Farming Sdn. Bhd. - Hard Boiled Egg Operation. <p>AC conducted periodic evaluation on the objectivity, audit recommendations to those audit findings and audit report during the financial year.</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>The Group has outsourced Group Internal Audit Function (“GIA”) to an independent qualified audit firm, Messrs. Moore Malaysia providing assurance to Audit Committee (“AC”) on the adequacy and integrity of the internal control system.</p> <p>A delegated team of Internal Auditor, led by Mr. Joe Lee, a Certified Internal Auditor (“CIA”) had performed systematic review in assessing the adequacy and integrity of the internal control system established by the Management based on an agreed scope of work as outlined in an Internal Audit Plan tabled and approved by the AC. These audit reviews were conducted in accordance with the International Professional Practices Framework (“IPPF”) and based on Committee of Sponsoring Organisation of the Treadway Commission (“COSO”) Framework.</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 recognises the importance of timely dissemination of material information and significant developments to shareholders, potential investors, stakeholders and the public, in compliance with the disclosure requirements of Bursa Malaysia Listing Requirements ("LR").</p> <p>Teo Seng ensures proper channels of communication between the Group, stakeholders and potential investors. The following communication channels have been engaged to communicate with the shareholders, stakeholders and public at large:</p> <ol style="list-style-type: none">1. Publication of Annual Report and Corporate Governance Report 2024;2. Announcements through Bursa Malaysia with quarterly financial results and press releases in accordance to LR; and3. Investor relation webpage on corporate website at www.teoseng.com.my to disseminate information, announcements made and analysts' reports on the Group.
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 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Group had served the Notice of 19th Annual General Meeting (“AGM”) to the shareholders on 25 April 2025, at least 28 days prior to the AGM which was fixed on 28 May 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

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 of the Company attended the 19th AGM of the Company's held on 28 May 2025.</p> <p>The Chairman of the Board, Mr. Lau Jui Peng invited shareholders to pose questions concerning the financial statements and on all agendas tabled at the Meeting prior to putting the resolutions to vote.</p> <p>The Chairperson of AC, NC, RMC, KMP and External Auditors were present to respond on shareholders' queries.</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	:	Teo Seng does not have large number of shareholders participation in the AGM. There was no AGM being conducted at remote location and the Company has no plan to hold future AGM at remote location.	
	:	Shareholder(s) who was unable to attend appointed proxy to attend the Meeting and voted on behalf. Voting on all Resolutions at the 19th AGM was conducted by poll had been carried out systematically and minutes of the Meeting outcomes were properly recorded.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application :	Applied
Explanation on application of the practice :	<p>During the Q&A session at the 19th AGM, the Chairman invited shareholders to raise both financial and non-financial questions and ensured they were given sufficient time to do so.</p> <p>The Chairman, Managing Director and Group Finance Director addressed shareholders' questions effectively, covering financial figures and the Group's operational direction. For questions requiring further clarification, the Investor Relations Personnel recorded them and later provided written responses via email to the respective shareholders.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
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 Minute of the 19th AGM was published on the corporate website at www.teoseng.com.my on 23 June 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	:

**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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