

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0140
COMPANY NAME : XOX NETWORKS 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") discharges its duties and responsibilities that are set out in the Board Charter, with the objective of safeguarding the interest of shareholders and other stakeholders.</p> <p>The Board Charter is available on the Company's website at www.xoxnetworks.com.my.</p> <p>In order to ensure the effective discharge of its functions and responsibilities, specific powers of the Board are delegated to the relevant Board Committees and the Senior Management.</p> <p>The Board reviewed and deliberated the business plan, strategic plan and/or proposals presented by the Management bearing in mind any major change/revision/update discussed during the quarterly Board meeting accordingly.</p> <p>The Board Committees have the authority to examine particular issues and report to the Board with their findings and recommendations. However, the ultimate responsibility for decision on all important matters lies collectively with the Board.</p> <p>The Board is also responsible for promoting an effective execution of good corporate governance and a corporate culture of ethical conduct, especially among its members and generally that would permeate throughout the Company. As part of its continuous effort to promote good corporate governance, the Board, the Board Committees and each individual Director are annually assessed on their effectiveness in fulfilling their roles and responsibilities as disclosed in the Annual Report circulated once a year. Hence, the Board is collectively sound and has sufficient knowledge and expertise to enable effective governance and oversight.</p> <p>During the financial period under review, the Senior Management team is responsible for the day-to-day management of the</p>

	<p>business and operations of the Company and its subsidiaries (collectively referred to as “Group”). The Board is also kept informed of key strategic initiatives, significant operational issues and the Group’s performance. The Group Financial Controller and the relevant members of the Management attended the Board meetings to present the updates on the progress of key initiatives, business targets and achievements to date, and to provide clarification on the queries and issues raised by the Board.</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

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is currently chaired by YM Tengku Ezuan Ismara bin Tengku Nun Ahmad, the Independent Non-Executive Director of the Company, who is not related to the Executive Director. The Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board, while the Senior Management team, has overall responsibility for the day-to-day management of the business and implementation of the Board's policies, directives, strategies and decisions.</p> <p>The primary roles and responsibilities of the Chairman are as follows:</p> <ul style="list-style-type: none">• Promotes constructive and respectful relations between Board members, and between the Board and the Management.• Provides leadership to the Board.• Ensures that appropriate procedures are in place to govern the Board's operation.• Leads the Board in establishing and monitoring good corporate governance practices in the Company.• Chairs general meetings of the Company and provides clarification on issues that may be raised by the stakeholders.• Encourages active participation and allowing dissenting views to be freely expressed.• Ensures compliance with all relevant regulations and legislation. <p>In line with the recommendation of the Malaysian Code on Corporate Governance ("MCCG"), the Chairman is not a member of any of the Board Committees. This is to ensure check and balance as well as the objectivity will not be influenced by the Chairman of the Board who also sits on Board Committee(s).</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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 Chairman of the Board is YM Tengku Ezuan Ismara bin Tengku Nun Ahmad.</p> <p>During the financial period under review, the Company operated without an Executive Director. However, the Chairman is supported by the Group Financial Controller and other Senior Management of the Group.</p> <p>There is a clear separation of the role and responsibility between the Chairman, the Independent Non-Executive Directors and the Senior Management of the Group to promote greater accountability to enhance check and balance of power and authority.</p> <p>The Chairman is not involved in the day-to-day management of the Group's business and has no relationship with any of the Senior Management of the Group.</p> <p>The Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board, while the Senior Management team of the Company, for the day-to-day management of the business and implementation of the Board's policies, directives, strategies and decisions.</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 :	Applied
Explanation on application of the practice :	During the financial period ended 31 December 2025 ("FY2025"), the Chairman of the Board, YM Tengku Ezuan Ismara bin Tengku Nun Ahmad is not a member of the Audit & Risk Management Committee ("ARMC") and Nomination and Remuneration Committee ("NRC") to ensure there is check and balance as well as objective review by 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

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 assisted by an experienced, competent and knowledgeable Company Secretary who gives clear and sound advice on regulatory requirements and governance matters to the Board. The Company Secretary is qualified to act as company secretary under Section 235 of the Companies Act 2016 ("the Act").</p> <p>The Company Secretary is responsible for advising the Board on issues relating to compliance with laws, rules, procedures and regulations affecting the Group as well as the principles of best corporate governance practices.</p> <p>The Company Secretary also advises the Board of their obligations and adherence to matters, amongst others, disclosure of interest in securities, disclosure of any conflict of interest in a transaction involving the Company or its subsidiaries, requirements on dealing in securities and restrictions on disclosure of price-sensitive information.</p> <p>All Directors also had full and unrestricted access to the advice and services of the Company Secretary. The Board was regularly updated on new guidelines, directives and new regulatory issues affecting the Group by the Company Secretary as well as external consultants. The Company Secretary together with the Senior Management assisted the Chairman of the Board and Chairman of the Board Committees to deal with the Board agendas and to provide the relevant information and documents to Directors on a timely basis. The Board was satisfied with the support and performance rendered by the Company Secretary in assisting the Board to discharge its duties.</p> <p>The Board was of the view that the Company Secretary had been competent and kept themselves abreast with the evolving regulatory changes and developments through continuous education programmes and attendance of relevant conferences, seminars and training programmes.</p> <p>The Board was satisfied with the performance and support rendered by the Company Secretary 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>Prior to the Board and Board Committees meetings, the agenda for each meeting together with the reports and notices containing information relevant to the business of the meetings (including information on major financial, operational and corporate matters as well as activities and performance of the Group and minutes of last Board and Board Committees meetings) were circulated to the Board members seven (7) days or at appropriate time before the meetings to provide sufficient time for the Board members to read and deliberate the issues. During Board meetings, the Management provides further details on each issue raised for discussion or as supplementary information, and consultants (including the Internal and External Auditors) may be invited to provide further insight.</p> <p>The deliberations and decisions at Board and Board Committee meetings were well documented in the minutes, including matters where Directors abstained from voting or deliberation.</p> <p>Minutes of meetings were distributed to all Directors on a timely basis for review and thereafter for confirmation at next meetings. The signed minutes were entered in minutes books kept by the Company Secretary at the registered office.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

There is 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 its Board Charter, which provides reference in relation to the roles and responsibilities of the Board and Management. The Board Charter is subject to periodic review and will be updated as and when necessary to ensure it remains consistent with the Group’s policies and procedures, the Board’s overall responsibilities, as well as changes to legislation and regulations.</p> <p>The Board Charter is published on the Company’s website at https://www.xoxnetworks.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 Directors are expected to conduct themselves with the highest ethical standards by setting the appropriate tone at the top, providing thought leadership and championing good governance and ethical practices throughout the Group. All Directors and employees are expected to behave ethically and professionally at all times and thereby protect and promote the reputation and performance of the Group. The Company has adopted a Code of Business Conducts, which can be viewed on the Company's website at https://www.xoxnetworks.com.my.</p> <p>The Code of Business Conducts provides principles and standards relating to Directors' and employees' duties to act in the best interest of the Group and stakeholders, and covers the areas of transparency, integrity, accountability, safety, conflicts of interest, insider trading, fair dealing, compliance with laws, rules and regulations.</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 Board is committed to promoting and maintaining a high standard of integrity, openness and accountability in the conduct of its businesses and operations. It aspires to conduct its affairs in an ethical, responsible and transparent manner.</p> <p>The Company provides avenues for all employees and members of the public to disclose any improper conduct in accordance with the procedures as provided for under this policy to provide protection for employees and members of the public who report such allegations. This is also to provide protection for the whistleblower from reprisal as a direct consequence of making a disclosure and to safeguard such a person's confidentiality. To this end, the Board has established a Whistleblowing Policy, available for viewing on the Company's website at https://www.xoxnetworks.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 Group is committed to adhere to all standards of upright business conduct through integrity, transparency with a constant and growing progression towards excellence in every area of business conduct.</p> <p>The Board fulfils its responsibilities by delegating to the key management personnel from corporate finance, project, marketing, human resources and general administration. The key management is responsible for implementing, overseeing and addressing all sustainability-related issues from stakeholders and update the Board on the Group's sustainability management performance, key material issues identified by stakeholders and planned follow-up measures.</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 4.2

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 Company is committed to sustainability, and the commitment is rooted in the knowledge that economically, environmentally, and socially responsible business practices coupled with corporate governance are essential to foster the long-term well being of the stakeholders and our businesses. The Board will continue to oversee the sustainability performance in compliance with the guidelines on sustainability reporting issued by Bursa Malaysia Securities Berhad ("Bursa Securities").</p> <p>The Company's sustainability strategies, priorities and targets are communicated to external stakeholders through annual report and to the employees through departmental meeting.</p> <p>The Group also committed to cascade its sustainability commitment, practices and culture to its extended business partners, suppliers and contractors.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>To keep abreast of the sustainability issues including climate-related risk, the Group has been preserved the environment while ensuring sustainability of its business.</p> <p>The Group implemented environmental awareness program and constant reminders to the employees to reduce wasteful consumption of resources in all the business premises.</p> <p>Power saving features or sleep mode were also enabled on computers, photocopiers, and other equipment, which also lowered power consumption.</p> <p>To reduce the use of paper, the Group encourages the employees to use digital storage and filing. Employees are also encouraged to re-use recycled paper for internal processes to practice the good culture of reduce, reuse and recycle waste materials.</p> <p>The Group is also proactively reduced wasteful consumption of water in the business premises. The measures taken in this respect include regular maintenance of water taps and piping to prevent water leakage and creating awareness for the need to conserve water among employees. The employees are also reminded to report any leakages and malfunction of water infrastructure in the business premises.</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 Assessment and Evaluation for financial period ended 31 December 2025 included assessment on Board’s evaluation and understanding on Environmental, Social and Governance (“ESG”) and sustainability issues that are relating to the Group.</p> <p>The Board were formally assessed with regards to material sustainability risks and opportunities. The questionnaire specifically modality deployed through a self assessment evaluation provided extensive coverage on the sustainability areas.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	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 NRC is empowered by the Board to review and evaluate the composition and performance of the Board annually as well as assessing qualified candidates to occupy Board positions. In executing its role to create and maintain a diverse Board, the NRC adheres to the recruiting and sourcing process that seeks to include diverse candidates in any director search. The NRC, also assesses the appropriate mix of diversity including gender, age, skills, experience and expertise required on the Board and address gaps, if any.</p> <p>The NRC would carry out a formal assessment evaluation on the performance as well as identifying any gaps or areas of improvement of the individual directors, Board and Board Committee annually. The NRC also would identify the Directors to be retired by rotation in accordance with the Constitution of the Company and assess the retiring Directors' eligibility for re-election by considering their competencies, time commitment, contribution and their ability to act in the best interest of the Company. Based on the satisfactory evaluation of the respective Director's performance and contributions to the Board, the NRC then recommend to the Board the re-election of the retiring Directors at 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

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 Group is currently led and managed by an experienced Board consisting of one (1) Independent Non-Executive Chairman, three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director.</p> <p>In this respect, the Board complies with the recommendation of the MCCG of which at least 50% of the Board is Independent Director. In addition, the Company also complies with the requirement of the Listing Requirements for Independent Non-Executive Directors to make up at least 1/3 of the Board membership.</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>In line with the MCCG, the Board has adopted the nine (9) years policy for Independent Directors. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the re-designation of the said person as a Non-Independent Director. In the event the Board intends to retain such Director as Independent Director after the latter has served a cumulative term of nine (9) years, the Board will justify the decision and seek annual shareholders' approval through a two-tier voting process.</p> <p>As of the date of the forthcoming AGM, Mr. Lionel Vernon Yong Nguon Kee ("Mr. Lionel") has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years. The Board, through the NRC, has assessed and determined that his vast and diverse range of experiences has brought the right mix of skills to the Board. As Director, he continues to bring independent and objective judgements to Board deliberations and the decision-making process as a whole. The Board, therefore, endorsed the NRC's recommendation for Mr. Lionel to be retained as Independent Director of the Company. Thus, the Board shall seek shareholders' approval at the forthcoming AGM for Mr. Lionel to be retained as an Independent Director through a two-tier voting process.</p> <p>The key justifications for Mr. Lionel's continuance as Independent Non-Executive Director are as follows:</p> <ul style="list-style-type: none">• he fulfill the criteria under the definition of Independent Director as stated in the Listing Requirements and, therefore, is able to bring independent and objective judgment to the Board as a whole;• his experience in the relevant industries has enabled him to provide the Board and Board Committees, as the case may be, with pertinent expertise, skills, contribution and competence;• he has been with the Company for a certain period and therefore understands the Company's business operations, which enables them to contribute actively and effectively

	<p>during deliberations or discussions at Board and Board Committee meetings;</p> <ul style="list-style-type: none"> • he continues to be scrupulously independent in his thinking and his effectiveness as a constructive challenger of the Management; and • he has not entered into any related party transactions with the Group. 	
<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 5.4 - 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 recognises a diverse Board in the Company could offer greater depth and breadth compared to non-diverse Board whilst the diversity at Senior Management will lead to better decisions.</p> <p>The NRC will review and recommend to the Board the suitable candidate in respect of mix of skill, knowledge, experience, expertise, independence, diversity (including gender, ethnicity and age) and core competencies needed to facilitate effective functioning of the Board.</p> <p>The Board is actively managing its workforce diversity to ensure equal employment opportunity. It fosters an environment where the ability to contribute and access employment opportunities is based on performance, skills and merits.</p> <p>Notwithstanding that no specific quantum of time has been fixed, each member of the Board is expected to devote sufficient time and attention to the affairs of the Company. Each Board member is expected to achieve at least 50% attendance of total Board Meetings held in any applicable financial year with appropriate leave of absence be notified to the Chairman and/or Company Secretaries, where applicable.</p> <p>Any Director is, while holding office, at liberty to accept other Board appointment(s) in other companies so long as the appointment is not in conflict with the Company's business and does not affect the discharge of his/her duty as a Director of the Company. Prior to the acceptance of new board appointment(s) in other companies and/or Public Listed Companies ("PLCs"), the Directors are to notify the Chairman and/or the Company Secretaries in writing. To ensure the Directors have the time to focus and fulfill their roles and responsibilities effectively, 1 criterion as agreed by the Board is that they must not hold directorships at more than 5 PLCs (as prescribed in Rule 15.06 of the Listing Requirements).</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	:	Applied
Explanation on application of the practice	:	<p>The NRC are guided by its terms of reference in the nomination, recommendation for appointment and re-election of Directors.</p> <p>Where necessary, the NRC and Board will gain access to a wider pool of potential candidates based on the recommendation from the existing Board members, Management and major shareholders, or refer to the potential candidates from the industry taking into consideration the qualification, skills, knowledge and experience background.</p> <p>The NRC may also obtain and rely upon independent sources such as a directors' registry, open advertisement or use of independent search firms in furtherance of their duties at the Company's expense, subject to approval by the Chairman or the Board, depending on the quantum of the fees involved.</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 NRC has a formal and transparent procedure for the appointment of new Directors to the Board. When assessing new appointments to the Board, the NRC carefully reviews the combined skills and experience of the existing Board members to determine the required characteristics and profile of the new Director. Candidates are identified based on their corporate leadership, skills, knowledge, competencies, experience, reference check and expertise to complement the Board. Diversity of experience in business, professionalism, corporate industry standing, integrity as well as academic background, age, gender, ethnicity and cultural background are also considered.</p> <p>Besides carrying out reference checks, the candidates are interviewed as part of the assessment process. Consideration is given to ensure appointees have sufficient time to devote to the role, ability to discharge responsibilities and that the balance of skills, knowledge and experience on the Board will be maintained and enriched. When the NRC has found a suitable candidate, the NRC will make a recommendation to the Board for deliberation.</p> <p>The NRC would also carry out formal assessment evaluation the performance as well as identifying any gaps or areas of improvement of the individual directors, Board and Board Committee annually. The NRC would identify the directors to be retired ("Retiring Directors") by rotation in accordance with the Constitution of the Company and assess the Retiring Directors' eligibility for re-election by considering their competencies, time commitment, contribution and their ability to act in the best interest of the Company. Based on the satisfactory evaluation of the respective director's performance and contributions to the Board, the NRC then recommend to the Board the re-election of the Retiring Directors at the forthcoming AGM.</p> <p>The Board endorsed recommendation of the NRC after reviewing the performance evaluation of the Retiring Directors, that the Retiring Directors to be considered for re-election at the forthcoming AGM.</p>

	<p>A statement of the Board is satisfied with the performance evaluation of the Retiring Directors, hence endorsed the recommendation of the NRC for the Retiring Directors to be considered for re-election pursuant to the Company's Constitution at the forthcoming AGM, is disclosed in the Explanatory Notes of the Notice of Eighteenth AGM enclosed in the Company's 2025 Annual Report.</p> <p>The details of the respective directors to be retired during the forthcoming AGM were disclosed in the Board of Directors' Profiles in the Company's 2025 Annual Report including their age, gender, position in the Company, qualification, working experience, expertise, any position in Board Committee, any conviction of offence in the past five (5) years and any conflict of interest with the Company. The shareholdings of the Retiring Directors were disclosed in the Analysis of Shareholdings in the Company's 2025 Annual Report.</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 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The NRC is chaired by Mr. Lionel Vernon Yong Nguon Kee, an Independent Non-Executive Director of 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 5.9

The board comprises at least 30% women directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Currently, our Board comprises of 1 female Director, representing approximately 20% of total numbers of the Board.</p> <p>The Board is aware of the importance of boardroom diversity and is supportive of the recommendation of MCCG to the establishment of boardroom and workforce gender diversity policy. The Board had adopted the Diversity Policy which sets out the Company's approach to diversity on the Board. The Board together with the NRC will assess and evaluate current diversity levels, identify and analyse gaps and criteria for new board appointments, and thereafter recommend the strategies, objectives, targets and practical goals against an indicative time frame in order to maintain an appropriate range and balance of skills, experience and background on the Board. The Group will evaluate the suitability of candidates as a new Board member based on the candidates' competency, skills, character, time commitment, knowledge, experience and other qualities in meeting the needs of the Group, regardless of gender. Equal opportunity is given and does not practice discrimination of any form, whether based on age, gender, race and religion, throughout the organisation.</p> <p>In line with the MCCG of at least 30% representation of women on Boards, the Board will evaluate and match the criteria of the potential candidate as well as considering the appointment of additional female directors onto the Board in the future to bring about a more diverse perspective.</p>
<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 5.10

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

Application	:	Applied
Explanation on application of the practice	:	The Board had adopted the Diversity Policy which sets out the Company's approach to diversity on the Board. The Board together with the NRC will assess and evaluate current diversity levels, identify and analyse gaps and criteria for new board appointments, and thereafter recommend the strategies, objectives, targets and practical goals against an indicative time frame in order to maintain an appropriate range and balance of skills, experience and background on the Board. The Group will evaluate the suitability of candidates as a new Board member based on the candidates' competency, skills, character, time commitment, knowledge, experience and other qualities in meeting the needs of the Group, regardless of gender. Equal opportunity is given and does not practice discrimination of any form, whether based on age, gender, race and religion, throughout the organisation.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The Board, through the NRC and facilitated by the Company Secretary, will conduct an annual assessment to evaluate the performance of the Board, its Board Committees and each director, as well as identify any gaps or areas of improvement.</p> <p>The annual assessment will be conducted internally through a questionnaire and by way of a self and peer-assessment evaluation approach, focusing on maximising the effectiveness and performance of the Board. The Board did not engage any external party to undertake an independent assessment of the Directors. A summary of the results and all feedback received was tabled to the NRC for deliberation before appropriate action plans were recommended to the Board for further discussion and approval.</p> <p>The criteria used by the NRC in evaluating the performance of an individual include contribution to interaction, integrity, competency and time commitment of the members of the Board and Board Committees in discharging their duties.</p> <p>From the annual assessment and review conducted for FY2025, the NRC was satisfied that all the Directors possess sufficient qualifications to remain on the Board. Save for the NRC members who are also members of the Board and have abstained from assessing their own individual performance as Director of the Company, each of the NRC members views that all the Directors have good personal attributes and possess sufficient experience and knowledge in various fields that are vital to the Company's industry.</p> <p>As for the Board evaluation, the NRC agreed that all the Directors have discharged their stewardship duties and responsibilities towards the Company effectively. The NRC further concluded that</p>

	the Board and Board Committees were functioning effectively as a whole with a high level of compliance and integrity.	
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 Company has adopted a remuneration framework in attracting, retaining and motivating the Directors and Senior Management of the Company for the successful performance of the Group. The remuneration of the Executive Director consists of basic salary, fees, other emoluments and benefits customary to the Group. Any salary and bonus review takes into account the performance of the individual and the financial performance of the Group.</p> <p>The Non-Executive Directors' remuneration comprises annual fees and benefits based on their roles and responsibilities in the Board and Board Committees, their attendance at meetings and/or special skills and expertise they bring to the Board. Their fees and benefits are subject to the shareholders' approval at the AGM.</p> <p>The Board determines the level of remuneration, fees and benefits of the Board members, taking into consideration the recommendations of the NRC. Each Director abstains from deliberation and voting on all matters pertaining to their own respective remuneration.</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

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

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	The Board has established the NRC, which comprises exclusively of Non-Executive Directors, the majority of whom are Independent Non-Executive Directors. The principal objective of NRC is to assist the Board in developing a policy on the remuneration packages for Directors and Senior Management of the Company, and to ensure that the remuneration packages are commensurate with the expected responsibilities and contributions by the Directors and Senior Management. The terms of reference of the NRC is accessible on the Company's website at https://www.xoxnetworks.com.my .
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	:	The details of the Directors' remuneration paid or payable to all Directors of the Company (both by the Company and the Group) and categorised into appropriate components for the FY2025 were disclosed in the pages 33 to 35 of the Company's 2025 Annual Report.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	YM Tengku Ezuan Ismara bin Tengku Nun Ahmad	Independent Director	126	0	0	0	0	0	126	162	0	0	0	0	0	162
2	Andy Liew Hock Sim	Independent Director	66.6	0	0	0	0	0	66.6	66.6	0	0	0	0	0	66.6
3	Lionel Vernon Yong Nguon Kee	Independent Director	66.6	0	0	0	0	0	66.6	66.6	0	0	0	0	0	66.6
4	Woon Sing Jiunn	Independent Director	66.6	0	0	0	0	0	66.6	66.6	0	0	0	0	0	66.6
5	Lee Kien Fatt	Non-Executive Non-Independent Director	66.6	0	0	0	0	0	66.6	84.6	0	0	0	0	0	84.6
6	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
7	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
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Intended Outcome

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

Practice 8.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Company opts not to disclose the senior management's remuneration components (salary, bonus, benefits-in-kind and other emoluments) on a named basis as it is not in the best interest of the Company and senior management personnel to disclose their personal data to the public at large.</p> <p>The Company notes the need for corporate transparency in the remuneration of its Senior Management executives, however, given the confidential and commercial sensitivities associated with remuneration matters and the highly competitive human resource environment for personnel with the requisite knowledge, expertise and experience in the Company's business activities, such disclosure may be detrimental to the business interests and give rise to recruitment and talent retention issues. Thus, the Company is of the view that the interest of the shareholders will not be prejudiced as a result of the non-disclosure of the Group's Senior Management's remuneration who are not Directors of the Company.</p> <p>The remuneration of the Senior Management personnel, which is a combination of annual salary, bonus and benefits-in-kinds are determined in a similar manner as other management employees of the Group. The basis of determination has been consistently applied and is based on individual performance and the overall performance of the Group. The aggregate remuneration of the top three (3) Senior Management received for FY2025 was RM514,448.70, representing 24.29% of the total employees' remuneration of the Group.</p> <p>The Board is of the opinion that disclosure of remuneration of the Directors of the Board by appropriate components and the top three (3) Senior Management's total combined remuneration package should meet the intended objectives of the MCCG, and the interest of the shareholders will not be prejudiced as a result</p>

	of non-disclosure of the key senior management on a named basis.	
<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.

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>In line with the best practice of MCCG, the Board has set up the ARMC which comprises exclusively of Non-Executive Directors, the majority of whom are Independent Non-Executive Directors and the Chairman of the ARMC is not the Chairman of the Board.</p> <p>The ARMC is chaired by the Independent Non-Executive Director, Mr. Andy Liew Hock Sim. Meanwhile, the Chairman of the Board is YM Tengku Ezuan Ismara bin Tengku Nun Ahmad.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	The ARMC has in place a terms of reference that requires a former key audit partner of the External Auditors to observe a cooling-off period of at least three (3) years before he/she could be considered for appointment as a member of the ARMC. Currently, none of the members of the Board nor the ARMC of the Company was former key audit partners of the external auditors appointed by 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 an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The ARMC assess the suitability, objectivity and independence of the Group's External Auditors every year before making a recommendation on the reappointment of External Auditors to the Board for consideration. The Board upon satisfaction of the recommendation from ARMC will propose the reappointment of External Auditors to the shareholders for approval at an AGM.</p> <p>The External Auditors are precluded from providing any services that may impair their independence or conflict with their role as External Auditors.</p> <p>To assess or determine the suitability and independence of the External Auditors, the ARMC has taken into consideration, among others, the following:</p> <ul style="list-style-type: none">(i) The adequacy of the experience and resources of the External Auditors;(ii) The External Auditors' ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the external audit plan;(iii) The nature of the non-audit services provided by the External Auditors and fees paid for such services relative to the audit fee; and(iv) Whether there are safeguards in place to ensure that there is no threat to the objectivity and independence of the audit arising from the provision of non-audit services or tenure of the External Auditors. <p>Annual appointment or re-appointment of the External Auditors is via shareholders' resolution at the AGM on the recommendation of the ARMC and the Board. The External Auditors are being invited to attend the AGM of the Company to respond and reply to the shareholders' enquiries on the conduct of the statutory audit and the preparation and contents of the audited financial statement.</p> <p>During FY2025, one (1) private meeting with the External Auditors was held and no material matters of concern were reported by the External Auditors.</p>

	<p>The ARMC had assessed the independence of Messrs UHY Malaysia PLT (“UHY”) as External Auditors of the Company, as well as reviewed the level of non-audit services rendered by UHY to the Company for the FY2025. The ARMC had obtained assurance from UHY that they are, and have been independent throughout the conduct of the audit engagement in accordance with the independence criteria set out by the International Federation of Accountants and the Malaysian Institute of Accountants.</p> <p>The ARMC was satisfied with UHY’s technical competency and audit independence and took note that the quantum of non-audit fees charged thereto was not material as compared to the total audit fees paid to UHY. Having satisfied itself with their performance and technical competency, as well as received the assurance from UHY as stated above, the Board approved the ARMC’s recommendation for the shareholders’ approval to be sought at the forthcoming AGM on the re-appointment of UHY as the External Auditors of the Company for the financial year ending 31 December 2026.</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 :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	Collectively, the members of the ARMC have the relevant experience and expertise in finance and accounting, and have carried out their duties in accordance with the terms of reference of the ARMC. The qualification and experience of the individual ARMC members are disclosed in the Board of Directors' Profiles on pages 11 to 15 of the Company's 2025 Annual Report. During the FY2025, the ARMC members had undertaken the relevant training programmes to keep themselves abreast of the latest development in accounting and auditing standards, statutory laws, regulations and best practices to enable them to discharge their duties effectively. Further details on the external programs attended by the ARMC members are set out in pages 25 to 26 of the Company's 2025 Annual Report.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board recognises the importance of sound controls and risk management practices to good corporate governance.</p> <p>The functions of the ARMC have been expanded to ensure risk management and proper internal controls are in place with an adequate awareness and understanding of risk by the Management and to safeguard shareholders’ interest and the Company’s assets.</p> <p>The Board delegates the determination of risk appetite to the ARMC and ensures that the risk appetite is in line with the Group’s strategy.</p> <p>The information on risk management framework and internal control system are disclosed in the Statement on Risk Management and Internal Control of the Company’s 2025 Annual Report.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges the importance of risk management and internal control systems as an integral part of effective management practice and to safeguard shareholders' investment and the Group's assets. The ARMC ensures principal risks in the Group are identified, assessed and mitigated with the appropriate internal control system.</p> <p>In establishing and reviewing the risk management and internal controls system, the Board recognises that such systems can provide only reasonable, but not absolute, assurance against the occurrence of any material misstatement or loss.</p> <p>The ARMC meets on a regular basis to ensure that there is clear accountability for managing significant identified risks and that identified risks are satisfactorily addressed on an ongoing basis. In addition, the adequacy and effectiveness of the risk management and internal controls system are also reviewed by the ARMC.</p> <p>Assessments on the adequacy and integrity of the internal controls and monitoring of compliance with policies and procedures are also carried out through internal audits. The risk-based internal audit plan that covers internal audit coverage and scope of work is presented to the ARMC for its consideration and approval annually. Internal audit reports encompassing the audit findings together with recommendations thereon are presented to the ARMC once to twice a year. The senior and functional line management are tasked to ensure management action plans are carried out effectively, and regular follow-up audits are performed to monitor continued compliance.</p> <p>The Board has received assurance from the Senior Management that the Group's risk management and internal controls system is operating adequately and effectively, in all material aspects.</p> <p>The Group has outsourced the services of internal audit to an independent professional service provider ("Outsourced IA"), which reports directly to the ARMC. Further details of the activities of the internal audit function carried out by the Outsourced IA</p>

	<p>during the FY2025 are set out in the ARMC Report of the Company's 2025 Annual Report.</p> <p>The main features of the risk management framework and internal control system of the Group are as set out in the Statement on Risk Management and Internal Control of the Company's 2025 Annual Report.</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

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 Company has incorporated risk management function in its ARMC. The current composition of the ARMC comprises exclusively of Non-Executive Directors, the majority of whom are Independent Non-Executive Directors.

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>During the financial year under review, the internal audit function (“IA”) was outsourced to GovernAce Advisory & Solutions Sdn. Bhd. (“GovernAce”). GovernAce is independent and free from any business relationships or conflicts of interest when conducting any internal audit activities, and reports directly to the ARMC.</p> <p>The internal audit covers the review of the adequacy of risk management, the strength and effectiveness of the internal controls, compliance with both internal and statutory requirements, governance and management efficiency, among others. The internal audit report, which provides the results of audits conducted, is submitted to the ARMC for review. Key control issues and recommendations are highlighted to enable the ARMC to execute its oversight function. Areas for improvement and audit recommendations are also forwarded to the Management for their attention and further action. The Management is responsible for the implementation of corrective actions within the required time frame.</p> <p>During the financial period under review, the following activities were carried out by GovernAce:</p> <ul style="list-style-type: none">i) Proposed and presented the internal audit plan for the ARMC’s approval and ensured that appropriate actions were taken to carry out the audits based on the approved plan;ii) Review on the adequacy and effectiveness of the systems of internal control relating to the Human Resource function of the Company; andiii) Reported to the ARMC the results of the internal audit reports and their findings, and the implementation of the management responses to the findings. <p>The ARMC had assessed the adequacy of the scope, functions, competency and resources of GovernAce for the financial period under review, and the internal audit function performed by GovernAce was satisfactory and adequate. Accordingly, the ARMC and the Board agreed to continuously outsource the internal audit function in providing an independent appraisal of the adequacy and effectiveness of the Group’s internal control system.</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>GovernAce is led by a director who is supported by his team members (4 headcounts assigned) with relevant qualifications and/or experience in internal auditing. GovernAce’s engagement director in charge of the Group’s IA is Mr Chong Chee Seng, who is a certified internal auditor of the Institute of Internal Auditors Inc, Fellow Certified Practising Accountant with CPA Australia (“FCPA”), a Chartered member of Institute of Internal Auditor Malaysia and Accountant registered with Malaysian Institute of Accountants with more than 20 years of international and local audit experiences. The IA practices were guided by the International Professional Practices Framework issued by the Institute of Internal Auditor.</p> <p>GovernAce is independent and free from any business relationships or conflicts of interest when conducting any internal audit activities, and reports directly to the ARMC.</p> <p>The internal audit functions and activities carried out during FY2025 are as disclosed in the ARMC Report of the Company’s 2025 Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges the importance of establishing a direct line of communication with shareholders and investors through the timely dissemination of information on the Group's performance and operations via the distribution of annual reports and relevant circulars, and the release of quarterly financial results, press releases and announcements.</p> <p>The Company has in place policies and procedures on the roles and responsibilities of Directors, Management and other employees, together with the levels of authority with regard to corporate disclosure requirements. In addition, the Company also emphasises the need for timely disclosures of information to shareholders as it acknowledges the importance of keeping shareholders and investment communities informed of the Company's business and corporate developments to enable them to make informed judgments in valuing the Company's shares. Such information is disseminated via the Company's annual reports, quarterly financial results and the various announcements made from time to time to Bursa Securities, which are accessible via Bursa Malaysia Berhad's website at www.bursamalaysia.com.</p> <p>The Group also maintains a website at https://www.xoxnetworks.com.my that allows all shareholders and investors to access information about the Group.</p> <p>The Company has provided a procedure on the communication channel at its website whereby enquiries and feedback may be posed to the Company's Management.</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 12.2

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	:	In order to encourage shareholders' participation at the AGM, the Company issues the notice of AGM at least 28 days before the AGM to allow sufficient time for shareholders to make arrangements to attend either in person, by proxy(ies), corporate representative(s) or attorney(s). The notice of AGM, which sets out the business to be transacted at the AGM, is also published in a major local newspaper. The Board will ensure that each item of special business included in the notices of the AGM or extraordinary general meeting is accompanied by a full explanation of the effects of any proposed resolution.	
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>The tentative dates of the AGM will be discussed and fixed by the Board in advance to facilitate the attendance of all Directors.</p> <p>All Directors and the Chairman of the respective Board Committees shall endeavor to attend the AGM in person to engage directly with and be accountable to shareholders for their stewardship of the Company at the AGM.</p> <p>The Nineteenth AGM (“19th AGM”) of the Company was held and conducted on a virtual basis through live streaming and online remote participation and voting from the broadcast venue on 27 November 2024 and was attended by all the Directors of the Company. All resolutions set out in the Notice of 19th AGM were put to vote by poll via electronic voting, and an independent scrutineer was appointed to validate the poll results. The Management and External Auditors also attended the 19th AGM to respond to the shareholders’ and proxies’ 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	:	Applied
Explanation on application of the practice	:	<p>The 19th AGM was held and conducted on a virtual basis through live streaming and online remote participation and voting (“RPV”) from the broadcast venue on 27 November 2024. All shareholders and proxies who are attending and participating in the 19th AGM remotely through RPV facilities were able to vote online.</p> <p>The Company used the RPV facilities provided by the service provider which has been robustly tested to gain assurance on its reliability, stability and security to allow for a large number of participants to attend, participate and vote the 19th AGM simultaneously.</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 13.4

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	: At the AGM, the shareholders are encouraged to participate in the questions and answers session, where they will be given the opportunity to raise questions or seek more information during the AGM. In the event that an answer cannot be readily given at the meeting, the Chairman will undertake to provide a written reply to the shareholders. At the commencement of all general meetings, the Chairman will inform the shareholders of their rights to a poll voting. Separate resolutions are proposed for substantially separate issues at the meeting. The outcome of the AGM will be announced to Bursa Securities on the same meeting day. The Chairman of the Board and Senior Management were authorised to answer all questions raised by the shareholders and proxies during the AGM of the Company. Together with the Directors, Management and external auditors will be in attendance to respond to the shareholders' queries.
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	: Applied
Explanation on application of the practice	: <p>The 19th AGM was held and conducted on a virtual basis through live streaming and online RPV from the broadcast venue on 27 November 2024. The Company used the RPV facilities provided by the service provider which has been robustly tested to gain assurance on its reliability, stability and security to allow for a large number of participants to attend, participate and vote the 19th AGM simultaneously.</p> <p>The Company had provided an Administrative Guide to the shareholders, which set out the procedures and requirements for RPV Facilities. Shareholders and proxies that successfully registered for RPV were able to submit their questions electronically via the RPV Facilities before and during the AGM. Shareholders/proxies had joined the AGM online, and also voted electronically using the RPV facility.</p> <p>At the AGM, the shareholders are encouraged to participate in the questions and answers session, where they will be given the opportunity to raise questions or seek more information during the AGM. In the event that an answer cannot be readily given at the meeting, the Chairman will undertake to provide a written reply to the shareholders.</p> <p>The external auditors also will be invited to attend the AGM of the Company to respond and reply to the Shareholders' enquiries on the conduct of the statutory audit and the preparation and contents of the audited financial statement.</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

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	: In line with the recommendation of MCCG, the minutes of the 19 th AGM held on 27 November 2024 has been posted on the Company's website for public viewing within thirty (30) business days after the 19 th AGM.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

**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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