

CORPORATE GOVERNANCE REPORT

STOCK CODE : 2852
COMPANY NAME : CAHYA MATA SARAWAK BERHAD
FINANCIAL YEAR : December 31, 2024

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 Cahya Mata Sarawak Berhad ("Cahya Mata") is responsible for the overall governance of the Group and is accountable to shareholders for the performance of Cahya Mata. The Board is committed to act in the best interests of the Company and its stakeholders by exercising due diligence and care in discharging its duties and responsibilities.</p> <p>The Board together with Management is committed to promote good corporate governance ("CG") culture within the Group which reinforces ethical and professional behaviour. The Board has in place relevant policies and procedures to promote a culture of integrity and ethics within the Group as a whole that is in line with the CG practices as guided by Main Market Listing Requirements and the Malaysian Code on Corporate Governance. The Board is also guided by its Board Charter to discharge its duties and responsibilities effectively.</p> <p>As at 31 December 2024, the Board has established and is supported by the following Board Committees which consist of a majority of Independent Non-Executive Directors to provide independent oversights on management and to ensure that there are appropriate checks and balances while discharging its oversight function.</p> <ol style="list-style-type: none">1. Group Audit Committee ("GAC")2. Nomination & Remuneration Committee ("NRC")3. Group Risk Committee ("GRC")4. Employees' Share Option Scheme Committee ("ESOS")5. Digital Transformation Committee ("DTC")6. Group Sustainability Committee ("GSC") <p>On 18 February 2025, the function of ESOS was assumed by NRC given the correlation of granting of options vis-a-vis Key Performance Indicators and employees reward system under governance of NRC. Hence, the disbandment the ESOS.</p> <p>Each of the Board Committee operates within its respective terms of reference ("TOR") that also outlines its respective functions and authorities. The TOR of the respective Board Committees is periodically reviewed by the Board Committees and approved by the Board to</p>

ensure that the TOR remains relevant and adequate. The Chairman of the respective Committees report to the Board the outcome of deliberations at each Committee meeting.

The principal functions and responsibilities of the Board of Directors include the following:

1. Oversee the development and implementation of the Group's strategic plan and direction

The Board works closely with Senior Management to ensure that an appropriate strategic direction and corporate goals are in place. This includes the development and approval of strategic plans, major investment and funding proposals, acquisitions and divestment proposals, annual corporate budgets and management plan including operating budgets, capital expenditure budgets and cash flow budgets which are regularly reviewed.

2. Internal control and risk management

The Board understands the importance of having a robust risk management and internal control system, and it is fully committed to fostering a strong culture of oversight from the top. The Board continuously reviews the adequacy and effectiveness of this system to ensure it aligns with the Group's objectives.

To support this, the Board has put in place a clear governance structure, with the GRC and the GAC providing independent and effective oversight of the risk management and internal control system. These committees play a vital role in advising the Board. The GRC is primarily responsible for overseeing the Group's risk management framework and defining its risk appetite, while the GAC focuses on ensuring the adequacy and effectiveness of internal controls.

3. Succession planning

The Board, with recommendation from the NRC, oversees succession planning for both the Board and Senior Management, and ensures that C-Suites and Senior Management has the necessary skills and experience to carry out their duties.

4. Effective communication with stakeholders

The Board upholds high standards of transparency and accountability in corporate disclosures to shareholders, potential investors and the public. The Company uses various channels for effective communication with the shareholders and other stakeholders including releasing timely announcements and disclosures to Bursa Malaysia Securities Berhad, encouraging effective participation at general meetings and updating information available at the Company's website at www.cahyamata.com.

5. Embedding sustainability and corporate responsibility practices as part of Group strategy

	<p>The Board remains committed to embedding sustainability and corporate responsibility into the Group’s strategy. This is achieved through the Group’s Sustainability Roadmap 2021 – 2023 which focuses on long-term value creation for stakeholders. The Board intends to channel this from the top down with greater disclosures on the efforts that are being planned for implementation across the Strategic Business Units (“SBUs”).</p> <p>In 2023, the Group further developed a sustainability framework and roadmap for 2023 - 2025 for the Board to approve towards regulatory compliance in accordance with the new Bursa Malaysia Sustainability Reporting Guide (3rd Edition) requirements as well as preparation towards reporting need under the Task Force for Climate-Related Financial Disclosures (TCFD) by the end of 2025. The Board will continue reviewing this framework to ensure alignment with changes in the operating environment and regulatory 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

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 of the Board, YABhg General Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (Retired) ("the Chairman"), leads the Board and plays a key role in instilling good corporate governance practices in the Company.</p> <p>The roles and responsibilities of the Chairman of the Board are specified in item 4.3 of the Board Charter which is available on the Company's website at www.cahyamata.com.</p> <p>The Chairman plays a key role in ensuring effective functioning of the Board and upholding good governance practices. The Chairman's responsibilities include:</p> <ul style="list-style-type: none"> ▪ Providing leadership and governance by guiding and mediating the Board's actions in line with organisational priorities and governance standards; ▪ Ensuring the Board conducts itself in accordance with the Board Charter; ▪ Facilitating effective Board meetings by ensuring that all relevant matters are included in the agenda, Directors receive timely and adequate information, and discussions are conducted effectively; ▪ Ensuring the general meetings are conducted effectively with all relevant matters tabled in the agenda and that all Shareholders receive timely information and are given the opportunities to ask questions at the meetings; ▪ Facilitating communication between the Board and the Group Managing Director to ensure alignment on strategic priorities and corporate governance matters; and ▪ Overseeing the progress of key strategic initiatives by engaging with Senior Management to address significant business challenges and opportunities.
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied	
Explanation on application of the practice	:	The roles of the Chairman and Group Managing Director are separate and distinct, ensuring a clear division of power and responsibilities. This separation enhances independent oversight, accountability, and effective decision-making at the Board and Management levels. The Chairman is a Non-Executive Director, responsible for leading the Board and overseeing governance matters, while the Group Managing Director focuses on executing the Group's strategic and operational objectives. The Board Charter is available on the Company's website at www.cahyamata.com .	
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	: As at 31 December 2024, the Company is in compliance with Practice 1.4 of the MCGG whereby the Chairman of the Board is not a member of the Audit Committee or the Nomination & Remuneration Committee ("NRC") of Cahya Mata.
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 supported by a competent Company Secretary. The Company Secretary is a member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and is a person qualified under Section 235(2) of the Companies Act 2016.</p> <p>She is external Company Secretary with vast knowledge and experience from being in public practice and are supported by a dedicated team of company secretarial personnel. The Company Secretary play an important advisory role to the Board, on administrative, regulatory requirements and governance matters. The Company Secretary is also responsible to ensure accurate and proper recording of proceedings and resolutions at the Board, Board Committees meetings and general meetings.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board receives meeting materials before the meeting. This ensures that they have sufficient time to review the materials, seek clarification where necessary, and make informed decisions. In urgent situations, the Board or Board Committees may convene meetings on shorter notice to address critical matters requiring immediate attention.</p> <p>All key deliberations and decisions at Board and Board Committee meetings are recorded in the respective minutes of meetings. Every Director or Board Committee member has the opportunity to review and make corrections to the minutes. Matters arising from previous meetings are tracked and updated until they are fully addressed.</p> <p>The finalised minutes of Board and Board Committees meetings are tabled for confirmation at the respective meetings. Additionally, minutes of Board Committee meetings are presented at Board meetings for notation.</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 Charter is available on the Company's website at www.cahyamata.com.</p> <p>The Board conducts regular review of the Board Charter to keep it up to date and consistent with the Board's objectives taking into consideration the needs of the Cahya Mata Group as well as any development in rules and regulations that may impact on the Board's duties and responsibilities.</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><u>Code of Ethics</u></p> <p>The Company has an established Code of Ethics ("Code") for both Directors and Employees, emphasising integrity, ethical conduct and compliance with laws and regulations. This Code for both Directors and Employees is published on the Company's website at www.cahyamata.com.</p> <p>All employees have given their commitment to comply with the Code including Anti Bribery & Anti Corruption Policy, Anti Fraud Management Policy, Confidentiality & Non Disclosure Policy, Gifts and Hospitality Policy and Conflict of Interest Policy through a signed declaration upon commencement of their employment with the Company.</p> <p><u>Disclosure of Interests</u></p> <p>The Directors additionally have a duty to make an immediate declaration to the Board if they have interests in direct or indirect transactions within the Group. The interested Directors would serve notice to the Board and thereupon abstain from deliberation and decisions of the Board on the transactions in question. Where Directors are interested party in a corporate proposal undertaken by the Company requiring the approval of the shareholders, the interested Directors will abstain from voting in respect of their direct and/or indirect shareholdings in the Company, on the resolutions pertaining to the corporate proposal. They will further undertake to ensure that persons connected to them also abstain from voting on the resolutions. Further, employees are required to disclose in writing any conflict of interests between their duties and personal interests.</p> <p><u>Malaysian Anti-Corruption Commission Act 2009 & Malaysian Anti-Corruption Commission (Amendment) Act 2018</u></p> <p>As guided by the Guidelines on Adequate Procedures issued pursuant to section 17A(5) of the Malaysian Anti-Corruption Commission (Amendment) Act 2018, the Board on 26 November 2019, with assistance of an external consultant, has put in place the system with relevant policies and procedures to manage bribery and corruption risks of the Group ("Anti-Corruption System"). The Company has a Whistle-</p>

	<p>Blowing Policy and an Anti-Bribery & Anti-Corruption Policy to ensure transparency and accountability. The Company conducts its business in a legal and ethical manner, in compliance with all applicable laws, regulations and standards. In alignment with the Anti-Corruption System implementation plan, the Board has approved a suite of policies dedicated to anti bribery and anti-corruption initiatives.</p> <p>Vendors will be invited to attend an engagement session to create awareness on anti-bribery and anti-corruption, from time to time.</p> <p>Relevant briefing and training sessions were also conducted by the Group Legal and Group Compliance Departments, for employees to enhance their awareness of the statutory requirements of anti-bribery and anti-corruption and the Anti-Corruption System.</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 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 has established a Whistle-Blowing Policy which is available on the Company's website at www.cahyamata.com and is periodically reviewed to ensure its effectiveness.</p> <p>The Whistle-Blowing Policy provides a confidential and secure channel for employees and external parties to report, in good faith, any suspected breaches of laws, regulation, business principles, or internal policies. Reports of misconduct or improprieties can be submitted via a dedicated hotline and email, with all cases being appropriately assessed, investigated and reported to the Board.</p> <p>The Board is responsible for overseeing the implementation and enforcement of the Whistle-Blowing Policy. Clear contact details are published on the Company website, ensuring accessibility for all stakeholders while maintaining confidentiality and discretion.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied	
Explanation on application of the practice	:	The Group Sustainability Committee ("GSC") is responsible for overseeing the Group's sustainability governance, strategies, priorities and targets to ensure alignment with the Company's long-term business objectives. The Board, together with Senior Management, integrates sustainability considerations into strategic planning, business operations and risk management. The strategic management of material sustainability matters is driven by Senior Management, with regular updates provided to the Board through the GSC to facilitate informed decision-making and oversight.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.2

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

Application	:	Applied	
Explanation on application of the practice	:	The GSC provides oversight on the Group's sustainability strategies, priorities and targets, ensuring they are effectively communicated to both internal and external stakeholders. The implementation of these sustainability initiatives is led by Senior Management, including the Group Managing Director and SBU Heads, who ensure that sustainability commitments are embedded across business operations. These priorities are then cascaded down to employees responsible for executing sustainability initiatives within their respective functions.	
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	:	The GSC ensures that the Board remains informed of sustainability matters, including climate-related risks and opportunities, that are relevant to the Group's business. Sustainability updates, including key issues and developments, are provided to the Board through regular reports from the GSC and Senior Management. In addition, sustainability matters are discussed during the SBUs' quarterly business updates, ensuring that sustainability considerations are integrated into the Group's overall business strategy.	
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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	There is currently no performance evaluation on sustainability risks and opportunities. Performance evaluation matrices will be identified following the firming up of the Group's sustainability programme.	
		For the year 2023, there were no practices in place to measure the Board and Senior Management's performance on sustainability risks and opportunities. The Group had developed a Sustainability Framework and Roadmap which included action plan, timelines and targets for the Board to approve and to roll-out this practice across the Company starting from the 2026-2030 period.	
<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

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	:	Adopted
Explanation on adoption of the practice	:	<p>The GSC provides oversight on the Group’s sustainability governance, ensuring that sustainability considerations are strategically integrated into the Company’s operations and decision-making.</p> <p>To drive execution, the Company has designated Group General Counsel to lead the implementation of sustainability initiatives, working closely with the Board and Senior Management.</p>

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 evaluation of the Board and Board Committees is specified in item 8 of the Board Charter which is available on the Company's website at www.cahyamata.com.</p> <p>The NRC carries out the Board Effectiveness Evaluation ("BEE") exercise annually. The scope of the BEE 2024 included facilitating the conduct of assessment and analysis thereof on Cahya Mata's Board, Board Committees and individual Directors.</p> <p>The criteria/areas for assessment are set out in the NRC Report of the Integrated Annual Report 2024. The BEE 2024 results and all related comments by Directors were summarised and discussed at the Special Board meeting held on 17 April 2025. Based on the findings, the Board and Board Committees had been effective in their overall discharge of functions and duties.</p> <p>The results of the BEE 2024 assessments form the basis of the NRC's recommendations to the Board for the re-election of Directors at the forthcoming AGM in 2025.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.2

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	:	As at 31 December 2024 the Board had eight (8) members, comprising one (1) executive and seven (7) non-executive directors of which five (5) are independent.			
		The status of the Board composition is as follows:			
		Designation	No of directors	Percentage (%)	
		Executive Director	1	12.50	
		Non-Independent Non-Executive Directors	2	25.00	
Independent Non-Executive Directors	5	62.50			
Total		8	100.00		
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 Charter stipulates that the tenure of Independent Non-Executive Director ("INED")s is limited to a cumulative term of nine (9) years to uphold strong governance and Board independence.</p> <p>If the Board determines that it is in the best interest of the Company to retain an INED beyond nine (9) years, it will provide justifications and seek annual Shareholders' approval through a two-tier voting process, in accordance with the Malaysian Code on Corporate Governance (MCCG).</p> <p>The Board Charter, which details this provision, is available on the Company's website at www.cahyamata.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 NRC oversees the selection and assessment of Directors to ensure the Board's composition remains relevant and effective. Each year, at the annual Board Effectiveness Evaluation ("BEE") exercise, and where necessary, the NRC reviews the composition and structure of the Board and Board Committees taking into consideration its size, core competencies and skills to ensure appropriate balance and the Board and Board Committees' composition has the requisite competencies to effectively discharge their functions and responsibilities. The Board aims to ensure a diverse Board and therefore the NRC takes into account diversity in terms of gender, race/ethnicity and age aside from the candidates' skills, knowledge, experience, background and expertise in its assessment and evaluation.</p> <p>All potential nominees and/or candidates for appointment on the Board are first considered by the NRC taking into consideration the mix of skills, competencies, experience, integrity, time commitment and other qualities required to effectively discharge his or her role as a director. The NRC will then endorse the nominees and candidates for approval by the Board.</p> <p>For C-Suites and Senior Management appointment, candidates are considered for approval by the NRC based on skills set, competencies, experience, integrity and other relevant qualities. The Company also conducts a comprehensive pre-employment background check which encompasses security, MACC, CCRIS, insolvency, industrial court, academic, employment and reference checks to ensure the credibility of the potential candidates.</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

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	:	Appointments of new Directors are undertaken by the Board as a whole after considering the recommendations of the NRC. Potential candidates may be proposed by any current Board member, shareholder or Senior Management personnel or by utilising independent sources such as recruitment firms or through industry associations. The NRC assists the Board in assessing and identifying the need, evaluating the suitability and recommending the appointment of any new Director. In considering potential candidates for appointment, the NRC undertakes a thorough review of the candidate's criteria, amongst others, qualifications, skills, knowledge, expertise, experience, personal attributes and the capability to devote the necessary time and commitment to the role.
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	:	The performance of retiring Directors recommended for re-election at the forthcoming 50 th AGM has been assessed through the Board Effectiveness Evaluation, including the independence of the Independent Non-Executive Directors. A statement by the Board and the NRC, expressing satisfaction with the performance and effectiveness of the retiring Directors who have offered themselves for re-election at the AGM, was included in the notes accompanying the Notice of AGM. The profile of the Directors due for retirement and offering themselves for re-election, including details of any interest in the Company, where applicable, are set out in the Integrated Annual Report 2024 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 5.8

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 YBhg Dato' Maznah binti Abdul Jalil, 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	:	Applied	
Explanation on application of the practice	:	As at 31 December 2024, the Board comprises three (3) woman Directors, which represents 37.50% of the total eight (8) Directors. Currently, the Board comprises three (3) woman Directors, which represents 30% of the total ten (10) Directors.	
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 not adopted a formal gender diversity policy. However, as at 31 December 2024, the Board comprises three (3) women Directors, representing 37.50% of the total eight (8) Directors, thus meeting MCCG recommendation of having 30% women directors. As for Senior Management, 6 (26.09%) out of 23 key Senior Management positions in the organisation were held by women as at 31 December 2024.	
		Despite no specific targets being set, the Board will consider the appointment of female Senior Management as and when there are right candidates available.	
<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>The evaluation of the Board, Board Committees and individual Directors is conducted annually in accordance with item 8 of the Board Charter, which is available on the Company’s website at www.cahyamata.com.</p> <p>The NRC conducts the BEE exercise annually. An external consultant is engaged once every three (3) years to assist the NRC in facilitating an objective and candid board evaluation.</p> <p>The criteria/areas for assessment are set out in the NRC Report of the Integrated Annual Report 2024. The BEE 2024 results and all related comments by Directors were summarised and discussed at the Special Board meeting held on 17 April 2025. Based on the findings, the Board and Board Committees had been effective in their overall discharge of functions and duties.</p> <p>The results of the BEE 2024 assessments form the basis of the NRC’s recommendations to the Board for the re-election of Directors at the forthcoming AGM in 2025.</p>
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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 Remuneration Policy of Director is available on the Company's website at www.cahyamata.com.</p> <p>The NRC is also entrusted with the role of determining and recommending suitable policies in respect of salary packages for the Group Managing Director and Senior Management. The current salary packages comprise a combination of basic salary and a variable performance incentive based on level of responsibilities and overall contributions to the Company's long-term objectives.</p> <p>A review on pay policy including salary structure and benefits programs will be carried out in 2025 to ensure market competitiveness.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied	
Explanation on application of the practice	:	The Board has a Nomination & Remuneration Committee. The Terms of Reference of the Nomination & Remuneration Committee is available on the Company's website at www.cahyamata.com .	
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 Company has disclosed in detail the remuneration paid to its Directors for the Financial Year 2024 in the Audited Financial Statements of the Company for the financial year ended 31 December 2024 which is available on the Company's website at www.cahyamata.com .

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	General Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Haji Zainuddin (Retired)	Independent Director	150	600	-	-	35	16	801	150	600	-	-	35	16	801
2	Dato Sri Mahmud Abu Bekir Taib	Non-Executive Non-Independent Director	150	480	-	-	23	100	753	182	480	-	-	23	116	801
3	Dato Sri Sulaiman Abdul Rahman b Abdul Taib	Executive Director	-	-	2,550	6,932	31	1,557	11,070	-	-	2,550	6,932	31	1,557	11,070
4	Dr Khor Jaw Huei	Independent Director	120	-	-	-	-	102	222	188	-	-	-	-	136	324
5	Dato' Maznah binti Abdul Jalil	Independent Director	120	-	-	-	-	98	218	150	-	-	-	-	120	270
6	Umang Nangku Jabu	Non-Executive Non-Independent Director	120	-	-	-	-	56	176	150	-	-	-	-	76	226
7	Jeyabalan A/L S.K. Parasingam	Independent Director	120	-	-	-	-	77	197	166	-	-	-	-	112	278
8	Gee Siew Yoong	Independent Director	120	-	-	-	-	14	134	120	-	-	-	-	14	134
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

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

Practice 8.2

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

Application	:	Departure													
Explanation on application of the practice	:														
Explanation for departure	:	<p>The Board agreed to continue with the disclosure practice whereby the remuneration of top five (5) Senior Management for the year 2024 shall be made in successive bands of RM 50,000 (including the components of salary, bonus, benefits in-kind and other emoluments). The analysis is as follows:</p> <table border="1" data-bbox="555 987 1407 1249"> <thead> <tr> <th>Total Remuneration in Bands of RM 50,000</th> <th>Number of Key Senior Management</th> </tr> </thead> <tbody> <tr> <td>RM 9,600,001 to RM 9,650,000</td> <td>1</td> </tr> <tr> <td>RM 1,750,001 to RM 1,800,000</td> <td>1</td> </tr> <tr> <td>RM 900,001 to RM 950,000</td> <td>1</td> </tr> <tr> <td>RM 850,001 to RM 900,000</td> <td>1</td> </tr> <tr> <td>RM 400,001 to RM 450,000</td> <td>1</td> </tr> </tbody> </table> <p>The Board will continue to review the implications of such disclosure of Senior Management's remuneration and consider such disclosures in future.</p>		Total Remuneration in Bands of RM 50,000	Number of Key Senior Management	RM 9,600,001 to RM 9,650,000	1	RM 1,750,001 to RM 1,800,000	1	RM 900,001 to RM 950,000	1	RM 850,001 to RM 900,000	1	RM 400,001 to RM 450,000	1
Total Remuneration in Bands of RM 50,000	Number of Key Senior Management														
RM 9,600,001 to RM 9,650,000	1														
RM 1,750,001 to RM 1,800,000	1														
RM 900,001 to RM 950,000	1														
RM 850,001 to RM 900,000	1														
RM 400,001 to RM 450,000	1														
<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>The Chairman of the Group Audit Committee ("GAC") and the Chairman of the Board are held by different individuals, ensuring independent oversight and effective governance.</p> <p>Mr Jeyabalan A/L S.K. Parasingam, an Independent Non-Executive Director ("INED"), served as the Chairman of the GAC since 28 June 2021 until 18 February 2025. He is not the Chairman of the Board.</p> <p>On 18 February 2025, an INED, Ms Gee Siew Yoong, was appointed as the new Chairman of the GAC. She is also not the Chairman of the Board.</p> <p>This clear separation of roles ensures that the GAC can exercise independent judgment in overseeing financial reporting, audit processes, and risk management matters without undue influence from the Board's leadership.</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	:	<p>The requirement that a former key audit partner is subject to observe a cooling-off period of at least three (3) years before he or she could be appointed as a member of the GAC is included in the GAC TOR.</p> <p>Currently, none of the GAC members are former key audit partners of the Company.</p> <p>The GAC TOR is available on the Company's website at www.cahyamata.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The GAC TOR requires the GAC to conduct an annual assessment of the external auditor's performance, independence and objectivity before recommending to the Board for appointment/re-appointment. This includes assessing their quality processes, audit team competency, audit scope and planning, fees including limit of non-audit fee size, and quality of communications including holding meetings with the external auditors without the presence of management.</p> <p>For the financial year ended 31 December 2024, the GAC assessed the objectivity, independence and service quality of the external auditors, Ernst & Young PLT ("EY") and Baker Tilly Monteiro Heng PLT ("Baker Tilly") in April 2025 and was satisfied that EY and Baker Tilly were sufficiently resourced and had demonstrated their objectivity, independence and proficiency in carrying out the audit according to the audit scope and plan. The assessment was carried out by the GAC members individually and collectively and was facilitated by the internal audit department with relevant input from Cahya Mata Group Finance Department and the external auditors, where necessary. The assessment was carried out according to a structured questionnaire based on the Corporate Governance Guide – 4th Edition 2021 (Bursa Malaysia) that covered areas such as the calibre of the audit firm, quality processes, audit team, independence and objectivity, audit scope and planning, audit fees and audit communication.</p> <p>The GAC recommended to the Board the re-appointment of EY, after considering their suitability, objectivity, independence and the appropriateness of audit fees to ensure the quality and reliability of the audited financial statements.</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	:	Details of trainings attended by the Audit Committee members are found under the Directors Training section in the Integrated Annual Report 2024.	
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 understands the importance of having a robust risk management and internal control system, and it is fully committed to fostering a strong culture of oversight from the top. The Board continuously reviews the adequacy and effectiveness of this system to ensure it aligns with the Group's objectives.</p> <p>To support this, the Board has put in place a clear governance structure, with the Group Risk Committee ("GRC") and the Group Audit Committee ("GAC") providing independent and effective oversight of the risk management and internal control system. These committees play a vital role in advising the Board. The GRC is primarily responsible for overseeing the Group's risk management framework and defining its risk appetite, while the GAC focuses on ensuring the adequacy and effectiveness of internal controls.</p> <p>As part of its ongoing commitment to good governance, the Board has established a comprehensive risk management and internal control system. This system integrates risk management into the Group's structure and processes, providing an ongoing approach to identifying, assessing, and managing potential risks that could impact the achievement of its strategic and business goals. The intention is to cultivate a long-term culture that is vigilant and proactive about risk.</p> <p>While the Board recognises that no system is entirely free from limitations, it strives to manage material risks within the Group's defined risk appetite. The system is designed to provide reasonable assurance, rather than absolute certainty, against significant issues like misstatements, operational failures, unforeseen events, fraud, or losses.</p> <p>The Group has established the Group Risk Management Committee ("GRMC"), which reports directly to the GRC. The GRMC is supported by the group risk function to ensure the effective implementation and ongoing maintenance of the Risk Management Framework.</p> <p>As a fundamental component of the Group's governance, strategic planning, and daily operations, the Group's Risk Management Framework is principally aligned with internationally recognised frameworks or standards such as COSO (Committee of Sponsoring Organisations of the Treadway Commission) and ISO31000:2018. The goal is to strike a balance between managing risks and seizing opportunities, all in support of achieving the Group's strategic and business objectives.</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>As a fundamental component of the Group's governance, strategic planning, and daily operations, the Group's Risk Management Framework is principally aligned with internationally recognised frameworks or standards such as COSO (Committee of Sponsoring Organisations of the Treadway Commission) and ISO31000:2018. The goal is to strike a balance between managing risks and seizing opportunities, all in support of achieving the Group's strategic and business objectives. The key components of the Framework are outlined below:</p> <ol style="list-style-type: none">Enterprise Risk Management ("ERM") The ERM framework is designed to identify, evaluate, and manage risks that could hinder the achievement of Cahya Mata's strategic and business goals. It empowers the Board and Management to focus on managing and minimising the most critical risks that matter most to the company and its stakeholders.Project Risk Management ("PRM") The PRM framework is focused on identifying, analysing, and addressing risks throughout the lifecycle of a project, with the goal of achieving the project's objectives. It also ensures that risks affecting scope, cost, time, and quality of projects are identified and mitigated. The project risk management process begins from the very start of a project and continues until its completion and successful handover.Operational Risk Management ("ORM") The ORM framework addresses risks at the process level within the SBUs and support functions. This "bottom-up process" involves decentralised risk assessments conducted by the respective SBUs and operational departments, using a risk and control self-assessment approach. The process encourages SBUs and operational departments to evaluate their own risks, as well as those that could impact their specific departmental goals. <p>This structured approach ensures that the Group can effectively manage risks across all levels, supporting its long-term success and strategic objectives.</p>

A robust and comprehensive process has been put in place, led by the Group Risk Department, to consistently identify, assess, mitigate, and report on strategic, project, and operational risks in a timely manner.

Throughout the year, SBUs and functional departments are required to regularly review and update their risk profiles. This includes reassessing risks and controls, as well as closely monitoring the progress of mitigation plans. Key risk indicators and impact measures are applied to ensure that risks are effectively managed within the established risk appetite.

The Group Risk Department, along with the heads of functional departments and SBUs, meets at least quarterly to review the Group's strategic, project, and operational risks. Additionally, regular discussions are held with the Senior Management team to evaluate significant risks, taking into account both internal and external factors, as well as emerging challenges that may impact the business and its operating environment.

On a quarterly basis, SBUs present detailed risk management reports to the Group Risk Management Committee for review. These reports outline the status of key risks and the progress of mitigation plans. A similar report is also presented for the functional departments and overall Group.

Following these reviews, the Group Risk Department, along with the heads of functional departments and SBUs, briefs the Group Risk Committee on significant risks, including any material changes to risk information and emerging risks.

To further enhance risk awareness, Group Risk Department regularly conducts awareness and coaching sessions for Cahya Mata employees. This initiative ensures that all staff have a deeper understanding of risk management principles, reinforcing the Group's commitment to fostering a strong risk-aware culture at every level as part of its ongoing risk management transformation process.

The key elements of the Group's internal control environment ensure strong governance and accountability throughout our operations:

a. Organisational Structure

We have clearly defined delegation of responsibilities across Committees of the Board and Management which facilitates the segregation of roles and responsibilities, lines of accountability and level of authority. The effectiveness and appropriateness of these delegations are continuously reviewed throughout the year to ensure alignment with our objectives.

b. Limits of Authority

The Group Limits of Authority outlines matters reserved for the Board's approvals and those delegated to Management, including well-established authorisation levels for all business areas to promote an effective and independent stewardship.

c. Code of Business Conduct, Ethics, and Integrity

The Group maintains a zero-tolerance policy toward bribery and corruption. In line with our commitment to ethical business practices and the government's anti-corruption efforts, we have implemented an Anti-Bribery & Anti-Corruption Policy, alongside three supporting policies: (1) the Gifts & Hospitality Policy, (2) the Corporate Philanthropy & Community Investment Policy, and (3) the Third-Party Corruption Risk Due Diligence Policy. These policies guide all employees on proper conduct and what constitutes an improper benefit, such as what could be construed as bribery or corruption. Regular training sessions on anti-bribery and anti-corruption are held for all levels of employees to foster awareness and compliance across the Group.

Our Group Legal Department thoroughly vets all major contracts and legally binding agreements, providing an additional layer of protection and assurance.

We also have a Whistleblowing Policy in place, which clearly defines the reporting process and ensures protection and confidentiality for whistleblowers.

d. Policies and Procedures

The Group's Financial Policies and Procedures Manual ensures clear and detailed guidance on all finance-related internal procedures. It also ensures all significant business commitments and investments are rigorously reviewed and aligned with the Group's risk appetite and strategic objectives, as determined by the Board. Our Procurement Policies and Procedures Manual governs the acquisition of goods and services, including the establishment of a Central Tender Committee that reviews and approves all high-value purchases. The Group Human Resources Policies and Procedures Manual provides comprehensive guidelines on employee engagement, ensuring clarity and consistency across the Group. Other essential policies include the Occupational Safety and Health Policy and the Information Technology Policy and Procedures Manual.

e. Strategic Planning and Budgeting

Our strategic planning and budgeting process involves detailed business plans and comprehensive capital and operating budgets. These are rigorously reviewed by Management before being submitted to the Board for approval, ensuring alignment with long-term objectives.

f. Management Reviews

Senior Management holds regular meetings to review operational performance, project progress, and compliance with policies and procedures. This collaborative approach ensures that we stay on track and address any challenges in a timely manner.

g. Performance Management

	<p>Our performance management system tracks the performance of key executives against agreed-upon targets, reinforcing accountability and fostering a strong performance-driven culture across the Group.</p> <p>h. Training and Development</p> <p>We actively encourage employees to enhance their skills through continuous education, training, and development programs, ensuring that they are well-equipped to contribute to the Group's success.</p> <p>i. Certification and Compliance</p> <p>Several of our operations have received ISO certifications for their products and processes. We are committed to maintaining these certifications through strict adherence to ISO standards, which include regular reviews by certification bodies to ensure ongoing compliance.</p> <p>Details of the key elements of the Group's risk management and internal control system and the adequacy and effectiveness of the framework can be found in the Statement on Risk Management and Internal Control in the Integrated Annual Report 2024.</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

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

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

Practice 10.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Group Risk Committee ("GRC") was established by the Board in 2009, and is guided by the GRC's Terms of Reference ("TOR"). The TOR is reviewed in line with changes to the direction and/or strategies of the Group to ensure the effectiveness of the Committee's oversight role on the Group's risk management framework, processes and systems.</p> <p>As at 31 December 2024, the GRC comprised three (3) members, namely two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director.</p> <p>The GRC TOR is available on the Company's website at www.cahyamata.com.</p>

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The internal audit function (“IAF”) reports functionally to the GAC and administratively to the Group Managing Director. The IAF has full access to the GAC to discuss its functional matters and meets with the GAC on a quarterly basis or at any other time as necessary. The IAF also met with the GAC once during the year in the November GAC meeting without the presence of Management. This ensures the IAF is able to function independently and objectively without the undue influence of Management.</p> <p>The IAF carries out its function in accordance with The Institute of Internal Auditors’ (“IIA”) International Professional Practices Framework (“IPPF”). This has been affirmed by an external Quality Assurance Review carried out by Tricor Axcelasia Sdn Bhd in February 2022 as part of an external Quality Assessment and Improvement Program (“QAIP”). In addition, the IAF carries out its own internal QAIP which is aimed at improving its internal audit quality processes and is reported to the GAC annually.</p> <p>The conduct of the IAF is governed by its Group Internal Audit Charter which is established consistent with the requirements of the IPPF, endorsed by the GAC and approved by the Board. The Charter is reviewed periodically to ensure it remains up-to-date with relevant legislation and standards. Staff members of the IAF are also required to annually confirm their adherence to the IIA’s Code of Ethics and Confirmation of Independence which is tabled to the GAC.</p> <p>The performance evaluation of the Group Internal Auditor and staff members are tabled to the GAC annually where the GAC assesses the adequacy of resources and competency of the audit staff and ensures adequate training is provided to maintain an effective IAF. In addition, the GAC also has the power to decide on the appointment or removal of the Group Internal Auditor.</p> <p>The annual audit plan is prepared by the IAF and is based on a risk analysis of all operations of the Group and includes resource planning for the IAF, and training budget and topics. The annual audit plan is subsequently tabled to and approved by the GAC in November each year. The GAC engages with the IAF on the progress of the audit plan to ensure that the audit directions remain relevant, taking into consideration of any significant changes in the Group’s operating environment.</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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>All staff of the Internal Audit Function (“IAF”) comply to the IIA’s Code of Ethics and are required to sign an annual confirmation to that effect. The Code of Ethics require all internal auditors to exercise and display qualities of integrity, objectivity, confidentiality and competency in carrying out their duties. In addition, the IAF also confirms annually its organisational independence to the GAC and this is supported by individual members of the IAF signing their confirmation of organisational independence.</p> <p>The IAF is currently staffed by a total of nine (9) internal auditors. Out of the nine (9), one (1) is a Certified Internal Auditor (“CIA”) and one (1) is a Certified Information System Auditor (“CISA”), while one (1) is pursuing CISA and three (3) are pursuing CIA qualification. The rest are strongly encouraged to do likewise.</p> <p>The IAF carries out its function in accordance with the IPPF. This has been affirmed by an external Quality Assurance Review carried out by Tricor Axcelasia Sdn Bhd in February 2022 as part of an external QAIP.</p> <p>Currently, the Head of IAF position is vacant. The Group is in the midst of identifying and assessing suitable candidates for the position of Head of IAF.</p> <p>Meanwhile, the GAC is providing support to the IAF in conducting its internal activities while Cahya Mata continues its search for a suitable candidate to fill the role of Head of Internal Audit for the Group.</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

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 has in place an investor relations ("IR") strategy to ensure an effective communication channel between the Company, its shareholders and the general public.</p> <p>The IR unit is headed by the Group Chief Financial Officer and facilitates communication between the Company and the Investment Community.</p> <p>The Group Managing Director, Group Chief Financial Officer and Senior Management of the Company actively engage with the Investment Community and the Board is briefed on these interactions and feedback from the Investment Community. The IR unit has an extensive programme that involves the holding of regular meetings, conference calls and site visits, all intended to keep the Investment Community abreast of the Company's strategic development and financial performance. In addition, the IR Unit participates in investment road shows and conferences upon invitation to engage with shareholders and potential investors both locally and overseas.</p> <p>The timely release of financial results on a quarterly basis provides the Investment Community with an up-to-date view of the Group's performance and operations. The release of the quarterly financial results to Bursa Securities is accompanied by a press release and shortly afterwards the Group Managing Director, Group Chief Financial Officer and Senior Management hosts face to face or virtual briefings with and take calls from the Institutional Investment Community to address any questions or concerns they may have following the release of the quarterly financial results. To facilitate the stakeholders' understanding of the Company with respect to the business of the company and its policies on governance, the Company has placed various documents pertaining to the organisation, Board and Management, corporate governance, policies, charters, terms of references as well as other corporate information on its website.</p> <p>Shareholders are welcome to raise queries by contacting the Company at any time throughout the year and need not wait for the AGM for such an opportunity. The contact information is available on the Company's website at www.cahyamata.com.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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 Notice of the 49 th AGM of the Company, which was held on 23 May 2024, was issued on 24 April 2024 to the Shareholders, giving more than 28 days' notice prior to the 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	:		

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 attended the 49th AGM held on 23 May 2024. Amongst them, three (3) Directors were the Chairmen of the GAC, NRC and GRC. There was a Questions & Answers session during which the Chairman invited shareholders to raise questions pertaining to the Company's financial statements and other items for adoption at the meeting, before putting a resolution to vote.</p> <p>The Company's responses to questions submitted in advance of the AGM by the Minority Shareholder Watch Group and the responses were shown in slides presentation at the AGM and also made available on the Company's website at www.cahyamata.com.</p> <p>The Directors, Group Managing Director, Group Chief Financial Officer, Senior Management and external auditors were in attendance to respond to the 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	:	General Meeting of the Company was held physically without remote participation. However, the Company always ensures that the General Meetings are convened at a venue which is easily accessible.	
		Shareholders who are unable to attend are allowed to appoint proxies to attend, speak and vote on their behalf.	
<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	: The Board recognises the importance of general meetings in supporting a meaningful engagement between the Board, Senior Management and Shareholders. At the AGM of the Company, shareholders are given the opportunity to communicate their views and pose questions to the Directors and Management regarding the performance and matters affecting the Company. Directors and Senior Management answered the questions raised by shareholders during the meeting. The Company's external auditors, Messrs Ernst & Young PLT were in attendance to respond to the shareholders' queries. The minutes of the 49 th AGM was made available on the Company's website at www.cahyamata.com .
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 Minutes of the 49 th Annual General Meeting (“AGM”) held on 23 May 2024 was made available on the Company’s website at www.cahyamata.com on 9 July 2024, not later than 30 business days after the 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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