

## **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 0221  
**COMPANY NAME** : TCS Group Holdings 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has primary responsibility to shareholders for the welfare of the Company and is responsible for the business and the affairs of the Company. In order to discharge its roles and responsibilities, the Group has set up and assigned certain duties to four Board Committees, namely Nomination Committee (“<b>NC</b>”), Remuneration Committee (“<b>RC</b>”), Risk Management Committee (“<b>RMC</b>”) and Audit Committee (“<b>AC</b>”) in ensuring the Board's obligations to its shareholders and other stakeholders are met.</p> <p>(a) The Board, together with senior management, promotes good corporate governance culture within the company which reinforces ethical, prudent and professional behaviour.</p> <p>A formal Board Charter is set up to provide clear roles and responsibilities of the board, including the responsibilities that are delegated to each Committee or the management as well as membership and operation of the board.</p> <p>To reinforce ethical, prudent and professional behaviour of the Company, the Board has set up the Code of Conducts and Ethics and Whistle-blowing policy.</p> <p>The Board Charter, Code of Conducts and Ethics and Whistle-blowing policy are available on the company's official website at <a href="http://www.tcsgroup.com.my">www.tcsgroup.com.my</a>.</p> <p>(b) The Board ensure that the strategic plan of the Group supports long-term value creation.</p> <p>The Board meets at least four times a year to review the Group's overall business strategies, business operations, and financial results. The Managing Directors will update the Board regularly on any changes of the Group's business strategies and business operations. The Independent</p>

	<p>Directors will raise any concerns regarding these changes, and a discussion will be held to address them.</p> <p>(c) The Board ensures Directors and senior management have appropriate skills and experiences and there are measures in place to provide for orderly succession of Board and senior management.</p> <p>The NC performs annual assessment on the performance of Executive Directors and senior management to ensure they are awarded appropriately for their contribution to the Group's growth. The Committee will assess the completion of job responsibilities of the Executive Directors and senior management to ensure the Group is managed properly.</p> <p>In order to discharge its responsibility on succession planning, the NC is responsible in seeking and identifying new candidates equipped with relevant skills and experiences to the Board. The Board supervise and assess management performance to determine whether the business is being properly managed.</p> <p>(d) The Board ensure there is a sound framework of internal controls and risk management.</p> <p>The RMC assist the Board in reviewing and ensuring appropriate internal controls and risk management are well function within the Group's operation. Any weaknesses on the internal controls and risk management will be highlighted by the internal audit function.</p> <p>Kindly refer to the Annual Report - Statement on Risk Management and Internal Control for further details.</p> <p>(e) The Board ensure effective communication with stakeholders is in place.</p> <p>Announcements, quarterly financial result and annual report are released timely to the public as per listing requirements of Bursa Malaysia Securities Berhad ("<b>Bursa Securities</b>"). The stakeholders can obtain the information via Bursa's website on <a href="http://www.bursamalaysia.com">www.bursamalaysia.com</a> or company's official website at <a href="http://www.tcsgroup.com.my">www.tcsgroup.com.my</a>.</p> <p>The Board also ensure effective communication with stakeholders is in place whereby stakeholders are given chances to raise questions to the Board during its Annual General Meeting. Upon request, the Managing Director will meet up with institutional investors, press and investment analysts to provide them a better understanding of the Group's operation.</p>
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	<p>(f) The Board ensure the integrity of the Group's financial and non-financial reporting.</p> <p>The AC assists the Board in reviewing financial reporting such as quarterly and annual financial results and non-financial reporting such as disclosures and statements included in the annual report to ensure the Group is in compliance with relevant accounting standards and listing requirements of Bursa Securities.</p> <p>The AC meet at least four times a year and holds discussions with both external and internal auditors to ensure the integrity of the Group's financial and non-financial reporting is in place.</p>	
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Tan Sri Dato' Sri Izzuddin Bin Dali, who is an Independent Non-Executive Chairman of the Company, provides leadership and guidance to the Board and is responsible for ensuring effectiveness of the Board's performance. The roles and responsibilities of the Chairman of the Board is specified in the Board Charter.</p> <p>The Chairman leads the rest of the Board members in forming policies and strategies to align the business activities driven by the management team and make sure the Board adheres to all relevant laws and regulations in pursuance of good corporate governance best practices.</p> <p>The Chairman is also assisted by the Company Secretary in setting the meeting calendar to ensure the availability of every Director at each meeting.</p> <p>The Chairman promotes a boardroom environment that is conducive to allow for expressions of views, discussions and effective debate. In a situation of differing opinions amongst the members of the Board, the Chairman provides his unbiased views and decisions to resolve the issue concerned.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The CEO title in the Company is interchangeable with the title of Managing Director, and both of their functions are the same. The positions of the Chairman and Managing Director of the Company are held by different individuals, namely Tan Sri Dato’ Sri Izzuddin Bin Dali and Dato’ Ir. Tee Chai Seng.</p> <p>There is clear separation of duties and responsibilities to ensure a balance of power and authority so that no one individual has unfettered powers of decision making.</p> <p>The Chairman is responsible to lead the Board in its collective oversight of management whilst the Managing Director is primarily responsible in implementing the Board’s decisions and oversees the Group’s business and day-to-day management.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 1.4**

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

*Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	Tan Sri Dato' Sri Izzuddin bin Dali, the Independent Non-Executive Chairman, is not a member of the other four (4) Board Committees, namely AC, NC, RC and RMC, as such to ensure no interference in any deliberations of the Board Committees in order to avoid impairing the credibility of the discussions.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is supported by two (2) Company Secretaries who are qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016 to provide support and guidance in advising the Board on all secretarial matters of the Company in relation but not limited to Companies Act 2016 ("<b>the Act</b>"), ACE Market Listing Requirement ("<b>AMLR</b>") of Bursa Securities and Malaysian Code on Corporate Governance ("<b>MCCG</b>").</p> <p>The role and responsibilities of the Company Secretaries include but not limited to the following:</p> <ul style="list-style-type: none"><li>• Manage, attend, and record minutes of all board and board committee's meetings;</li><li>• Prepare meeting agendas and facilitate board communications;</li><li>• Advise the board on its roles and responsibilities;</li><li>• Advise the board on corporate disclosures and compliance with company and securities regulation and listing requirements;</li><li>• Manage processes pertaining to the general meeting; and</li><li>• Monitor corporate governance developments and assist the board in applying governance practices.</li></ul> <p>All Directors have access to the advice and services of the Company Secretaries in carrying out their duties. The Company Secretaries also ensure that discussions at every Board and Board Committee's meetings are well documented.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		



<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>To ensure informed decision-making, Directors receive complete and accurate meeting materials within a reasonable timeframe before each meeting.</p> <p>Unless otherwise agreed, the notice of the meeting, along with the agenda and relevant Board papers, is circulated at least seven (7) days before the scheduled meeting. This allows Directors ample time to review the materials, seek clarifications, and request additional information from management or the Company Secretaries if necessary.</p> <p>Following the meeting, the minutes are prepared by the Company Secretaries and circulated to all Directors in a timely manner. These minutes are subsequently tabled for review and confirmation at the next Board meeting.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has established a Board Charter that serves as a guiding framework for its roles, responsibilities, and governance practices. The Charter outlines the specific duties and functions of the Board, Board Committees, individual Directors, and Management, ensuring clarity in decision-making and accountability. It also defines matters reserved for the Board, which include key strategic, financial, and operational decisions that require Board approval.</p> <p>To ensure its continued relevance and alignment with the Company's objectives, the Board Charter is periodically reviewed and updated as necessary. This process takes into account changes in the Company's strategic direction, evolving governance practices, and amendments to applicable laws, regulations, and listing requirements.</p> <p>The Board Charter is available on the company's official website at <a href="http://www.tcsgroup.com.my">www.tcsgroup.com.my</a></p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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>A Code of Conduct and Ethics is formalised and approved by the Board to articulate acceptable practices and to guide the behaviour of Directors, management and employees of the Group when deal in situations that involve compliance with laws, rules and regulation, conflict of interest, anti-corruption, confidentiality, insider trading, and improper use of company's assets.</p> <p>The Code of Conduct and Ethics is formulated based on three principles – Integrity, Accountability, and Duty to Act in the Public Interest and Best Practice of the Company.</p> <p>The Code of Conduct and Ethics is available on the company's official website at <a href="http://www.tcsgroup.com.my">www.tcsgroup.com.my</a></p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

**Intended Outcome**

The 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Whistleblowing policy is formulated by the Board to provide an avenue for employees or non-employees (including suppliers, customers, shareholders, and other stakeholders) to report genuine concerns in relation to misconducts or criminal offences in the workplace.</p> <p>The identity of the whistle-blower is strictly protected, and the Board ensures that all disclosures are treated with confidentiality. Additionally, the Board guarantees that no reprisals or disciplinary actions will be taken against the whistle-blower. Any discovery or suspected of misconducts or inappropriate practices can be reported to the Company through its website at <a href="http://www.tcsgroup.com.my">www.tcsgroup.com.my</a>.</p> <p>This policy is available for reference on the Company's official website at <a href="http://www.tcsgroup.com.my">www.tcsgroup.com.my</a></p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledged the importance of incorporating sustainability considerations into the Company's business and corporate activities, and how sustainability is essential to successful business strategies that could deliver sustainable value to all stakeholders and ultimately boosts business performance of the Company.</p> <p>The Company has implemented a Sustainability Policy that integrates ESG principles into the daily operations. This policy is designed to:</p> <ul style="list-style-type: none"> <li>• Enhance shareholder value</li> <li>• Minimize environmental impact</li> <li>• Promote social contributions</li> <li>• Ensure regulatory compliance</li> </ul> <p>The Management has finalised a Sustainability Development Framework which reflects the commitment to long-term value creation for stakeholders while minimizing environmental impact, enhancing social well-being, and upholding the highest standards of corporate governance. Under this framework, the Company has identified 3 sustainability pillar, i.e. Economic Sustainability, Social Responsibility and Governance &amp; Risk Management. The key area as well as initiatives and actions under each sustainability pillar is provided in the Sustainability Statement of the Annual Report 2024.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board recognizes that robust alliances with stakeholders have been instrumental in propelling the Company's growth, underscoring their pivotal role in fostering sustainability. This is achieved through consistent engagement, effective communication, and actively seeking feedback and opinions from stakeholders.</p> <p>The Company has engaged with stakeholders in a variety of ways which had been done at both the business units and group levels through formal and informal activities. The collective opinions and insights from the stakeholders help the Board makes informed decisions, while aligning the stakeholders' expectations with the Company's sustainability priorities and business approach.</p> <p>Details pertaining to the stakeholders' engagement are available in the Sustainability Statement of the Annual Report 2024.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is committed to remaining well-informed and proactive in addressing sustainability issues, including climate-related risks and opportunities, that are relevant to the Company's business and long-term strategy. To ensure it is equipped with the necessary knowledge and understanding, the Board regularly participates in training sessions, workshops, and briefings conducted by industry experts, sustainability consultants, and regulatory bodies. These sessions help the Board stay up to date with emerging trends, regulatory developments, and global best practices in ESG matters.</p> <p>Sustainability considerations are integrated into the Board's strategic decision-making process, ensuring that business plans, risk management frameworks, and investment decisions align with the Company's commitment to long-term sustainability. The Board actively evaluates climate-related risks and opportunities, incorporating them into the Company's overall business strategy to enhance resilience and value creation.</p> <p>To further strengthen its understanding, the Board engages regularly with key stakeholders, industry associations, and regulatory bodies to gain insights into evolving sustainability expectations. When necessary, external expertise is sought to enhance decision-making on sustainability initiatives. The Board also exercises oversight of the Company's sustainability performance by reviewing reports and disclosures to ensure transparency, accountability, and alignment with regulatory requirements and industry benchmarks.</p> <p>The Board's ongoing efforts to enhance its knowledge and governance of sustainability issues are detailed in the Corporate Sustainability Statement of the Annual Report 2024, demonstrating its commitment to driving sustainable growth while addressing environmental and social responsibilities.</p>
<b>Explanation for departure</b>	:	

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

### 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.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Company recognizes that effective management of sustainability risks and opportunities is essential for long-term value creation. As such, the Board has incorporated Environmental, Social, and Governance (ESG) considerations into the performance evaluation process of both the Board and senior management to ensure accountability in addressing sustainability matters.</p> <p>However, at present, the performance evaluation of senior management does not include a formalized review of their role in managing sustainability-related risks and opportunities. The absence of such an assessment is due to the Company's existing performance appraisal framework, which has traditionally centered on financial and operational key performance indicators (KPIs). While sustainability initiatives are discussed at the management level, they are not yet embedded as measurable performance criteria within senior management's evaluation process.</p> <p>Recognizing the growing importance of sustainability in corporate governance, the Board is committed to addressing this gap. Moving forward, the Board will explore ways to integrate sustainability-related performance metrics into senior management's appraisal framework. This may include setting specific sustainability targets, incorporating ESG-related KPIs, and linking sustainability performance to executive incentives. The goal is to ensure that senior management is actively involved in driving the Company's sustainability agenda and is held accountable for achieving sustainability-related objectives.</p> <p>As part of this initiative, the Board will engage with key stakeholders, industry experts, and sustainability consultants to establish relevant and practical assessment criteria that align with the Company's business strategy and sustainability commitments. This process will be conducted in phases to ensure a seamless transition while fostering a culture of accountability and continuous improvement in sustainability performance.</p>

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

**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.*

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NC plays a crucial role in ensuring that the composition of the Board is refreshed periodically to maintain a balanced, diverse, and effective leadership structure. As part of its responsibilities, the NC reviews the tenure of each Director annually, ensuring that the tenure of an Independent Director does not exceed the nine-year term limit, in line with the recommendations of the MCCG.</p> <p>For the FYE 2024, the NC conducted a comprehensive annual assessment of the Board, Board Committees, and individual Directors, including a specific evaluation of Independent Directors' independence and objectivity. This assessment ensures that each Director continues to contribute effectively to the Board's discussions and decision-making processes.</p> <p>Additionally, the NC reviewed the composition of the Board and its Committees to assess whether they remain fit-for-purpose, aligned with the strategic direction of the Group, and possess the necessary skills, expertise, and industry knowledge to navigate evolving business landscapes. As part of this review, the annual re-election of retiring Directors was assessed, with recommendations made to the Board for approval based on the Directors' performance, contributions, and continued suitability.</p> <p>Through this structured approach, the NC ensures that the Board remains dynamic, forward-looking, and capable of providing strong oversight and guidance. Based on its annual review, the Board is satisfied with the current composition, as it continues to provide effective leadership, oversight, and strategic direction in alignment with the Group's long-term objectives.</p> <p>The NC will continue to monitor the Board's composition, assess leadership needs, and make recommendations for board refreshment where necessary to ensure continued good governance, diversity, and effectiveness at the Board level.</p>
<b>Explanation for departure</b>	:	

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

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>For the period under review, the Board comprised of 4 Independent Directors and 2 Executive Directors as follows:</p> <p>a) One (1) Independent Non-Executive Chairman;  b) One (1) Managing Director;  c) One (1) Executive Directors; and  d) Three (3) Independent Non-Executive Directors.</p> <p>The board composition above complies with Rule 15.02 of the AMLR of Bursa Securities of at least half of the Board comprises of Independent Directors.</p> <p>The current Board composition is able to provide an unbiased, independent and objective judgement to facilitate a balanced leadership in the Group as well as providing effective check and balance to safeguard the interest of the minority shareholders and other stakeholders and ensuring high standards of conduct and integrity are maintained.</p>	
<b>Explanation for departure</b>	:		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>As of FYE 2024, the Company does not have any Independent Directors who have served beyond the nine-year tenure limit. The NC conducts an annual assessment of Independent Directors to ensure they continue to fulfill their roles with independence, impartiality, and in the best interests of shareholders.</p> <p>In the event that the Board deems it necessary to retain an Independent Director beyond the nine-year tenure, the Company will:-</p> <ul style="list-style-type: none"> <li>a) Provide a clear and robust justification for their continued tenure, detailing their contributions, expertise, and the benefits to the Board.</li> <li>b) Seek annual shareholders' approval through a two-tier voting process, as required under the Listing Requirements and MCCG guidelines.</li> </ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.*

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NC plays a key role in identifying and recommending suitable candidates for both Board positions and senior management roles. The appointment process is guided by objective criteria, meritocracy, and a strong commitment to diversity, ensuring a well-balanced leadership team with the necessary skills, experience, and perspectives to drive the Company forward.</p> <p>New Directors and senior management members are assessed based on:</p> <ul style="list-style-type: none"> <li>a) Integrity and independence</li> <li>b) Diversity (age, gender, ethnicity, and professional background)</li> <li>c) Leadership capabilities</li> <li>d) Industry-specific experience and expertise</li> <li>e) Ability to exercise sound judgment and strategic thinking</li> <li>f) Time commitment and availability</li> </ul> <p>The Board also considers the existing board positions held by a candidate, including both listed and non-listed companies, to ensure that they can effectively contribute and dedicate adequate time to their roles. Any appointment that may compromise governance, integrity, or pose a conflict of interest is strictly avoided.</p> <p>The NC follows a structured five-stage process before making recommendations to the Board:</p> <ul style="list-style-type: none"> <li>a) Identification of candidates – Sourced through various channels, including industry networks, professional recommendations, and external searches.</li> <li>b) Evaluation of suitability – Assessing qualifications, expertise, and alignment with the Company's strategic needs.</li> <li>c) Meetings with candidates – Interviews with shortlisted candidates to gauge compatibility with corporate values and Board dynamics.</li> <li>d) Final deliberation by NC – Reviewing feedback, assessing potential contributions, and ensuring regulatory compliance.</li> </ul>

	<p>e) Recommendation to the Board – The final list of nominees is presented to the Board for approval.</p> <p>Through this comprehensive selection and evaluation process, the Company ensures that only highly qualified and capable individuals are appointed to leadership positions, enhancing governance, decision-making, and long-term value creation.</p>			
Explanation for departure	:			
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>				
Measure	:			
Timeframe	:	<table border="1"> <tr> <td></td><td></td></tr> </table>		

## Intended Outcome

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

### Practice 5.6

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NC is entrusted with the responsibility of screening, evaluating, and nominating new Board members for appointment, ensuring that the process is transparent, objective, and merit-based.</p> <p>The NC does not solely rely on recommendations from existing Board members, management, or major shareholders. Instead, the Board actively utilizes independent sources, such as:</p> <ul style="list-style-type: none"><li>✓ Professional search firms</li><li>✓ Industry networks</li><li>✓ Regulatory and governance bodies</li><li>✓ Databases of qualified directors</li></ul> <p>If the selection process involves recommendations from existing Directors, management, or major shareholders, the NC will justify why these sources were sufficient and explain why alternative sources were not used.</p> <p>Where necessary, the NC meets with potential candidates to assess their suitability for the role. All nominees must fulfill regulatory requirements for appointment as Directors.</p> <p>The NC deliberates on all appointments before making a recommendation to the Board, which makes the final decision on new Director appointments.</p> <p>By leveraging a structured and independent selection process, the Board ensures that new Directors bring diverse perspectives, expertise, and integrity, ultimately strengthening the Company's leadership and governance framework.</p>
<b>Explanation for departure</b>	:	

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

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board ensures that shareholders receive comprehensive and transparent information to make informed decisions regarding the appointment and reappointment of Directors. In assessing Directors due for re-election at the 5th Annual General Meeting (“<b>AGM</b>”), the Board, through the NC, conducts an annual performance evaluation. This includes a review of their contributions, independence, and ability to provide sound judgment in the best interests of the Company.</p> <p>In practice, detailed profiles of Directors are published in the Annual Report 2024. These profiles include vital information such as the director’s age, gender, qualifications, and current position within the Company, as well as their directorships in other companies and their overall working experience. Moreover, any potential conflicts of interest, including shareholdings in the Company, are clearly disclosed. This transparent approach ensures that shareholders can assess whether any personal or business relationships might affect a director’s independence or impartiality.</p> <p>By providing this information in a clear and transparent manner, the Board ensures that shareholders can make well-informed decisions when voting on the appointment or reappointment of Directors.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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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 5.8**

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

Application	:	Applied	
Explanation on application of the practice	:	The NC is chaired by the Independent Non-Executive Director – Dato’ Seri Ir Mohamad Othman bin Zainal Azim.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

**Intended Outcome**

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

**Practice 5.9**

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>The Board acknowledges the importance of gender diversity in fostering a broader range of perspectives, improved decision-making, and enhanced corporate governance. A diverse Board and senior management team contribute to a more dynamic and inclusive leadership structure, aligning with global best practices and the principles of good governance.</p> <p>While the Company has not yet met the recommended threshold of 30% women directors, the Board remains committed to promoting greater gender diversity. Currently, there is one (1) female Director on the Board, which represents less than 30% of the total composition. However, the Board firmly believes that appointments should be based on merit, taking into account the skills, experience, and expertise required to drive the Company's strategic objectives forward.</p> <p>To address this, the NC actively considers gender diversity in its succession planning and selection processes. Whenever Board and senior management vacancies arise, priority will be given to identifying and appointing qualified female candidates, provided they meet the necessary competencies and leadership qualities required for the role. The Company also continues to cultivate a strong pipeline of female talent within senior management, ensuring that capable women are given leadership opportunities and prepared for future Board roles.</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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	:	<p>The Board acknowledges the significance of gender diversity in strengthening leadership effectiveness and fostering an inclusive corporate culture. A well-balanced leadership team, reflecting diverse perspectives and experiences, contributes to better decision-making and enhances overall corporate governance.</p> <p>While the Company has not formalized a specific gender diversity policy for the Board and senior management, diversity remains an essential consideration in the selection and appointment process. The Board upholds the principle that meritocracy should be the primary factor in appointments, ensuring that candidates are chosen based on their skills, expertise, and leadership capabilities, while also being mindful of the value that gender diversity brings.</p> <p>In line with this commitment, the NC continues to assess Board and senior management composition to promote diversity, including gender representation, when identifying suitable candidates for leadership roles. The Company also supports initiatives to develop female talent within the organization, ensuring a robust pipeline of women in leadership positions.</p> <p>The Board recognizes the growing expectations for companies to establish formal gender diversity policies. As such, the Board will continue to evaluate the need for a structured gender diversity framework and consider the adoption of a formal policy to reinforce its commitment to diversity and inclusion in the near future.</p>	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

### Intended Outcome

Stakeholders are able to 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>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board, through the NC, conducts a formal and objective annual evaluation to assess the effectiveness of the Board as a whole, its committees, and each individual director. This evaluation serves as a critical tool in ensuring that the Board remains dynamic, well-balanced, and capable of effectively discharging its duties in line with the Company's strategic objectives.</p> <p>For the FYE 2024, the NC undertook a comprehensive assessment using a structured self-assessment approach, which included detailed evaluation criteria covering various aspects such as Board structure, governance practices, participation, strategic contributions, and the effectiveness of Board Committees. Independent Directors were further evaluated based on their ability to exercise independent judgment and provide constructive challenge to management.</p> <p>The assessment results were deliberated at the NC meeting before being presented to the Board. Overall, the results indicated that the Board and its Committees were functioning effectively, with Directors demonstrating high levels of commitment and actively contributing to Board discussions.</p> <p>Based on these findings, the NC affirmed that the current Board composition remains well-suited to support the Company's strategic direction. The Committee also determined that each Director continues to possess the necessary skills, experience, and dedication to fulfill their roles effectively. Consequently, the NC recommended the re-election of the retiring Directors at the forthcoming AGM.</p>
<b>Explanation for departure</b>	:

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

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The objective of the Group's remuneration policy is to attract and retain the Directors and Senior Management required to lead and control the Group effectively. In the case of Executive Director and Senior Management, the components of the remuneration package are linked to corporate and individual performance. For Non-Executive Directors, the level of remuneration is reflective of their experience and level of responsibilities. The RC shall ensure that the level of remuneration is sufficient to attract and retain Directors of the quality required to manage the business of the Group.</p> <p>The RC will review the remuneration of the Executive Director and Senior Management to ensure that it commensurate with the market expectation, their experience and competency and the performance of the Group. Directors and Senior Management do not participate in decisions regarding their own remuneration. Meetings of the RC are held as and when necessary, and at least once a year.</p> <p>In respect of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken and is a matter for consideration by the Board as a whole. The Directors shall abstain from discussions pertaining to their own remuneration.</p> <p>The written Remuneration Policy is made available on the company's official website at <a href="http://www.tcsgroup.com.my">www.tcsgroup.com.my</a></p>
<b>Explanation for departure</b>	:	

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

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has established a RC which comprises of three (3) Independent Non-Executive Directors.</p> <p>The RC has abided with its written Terms of Reference, including but not limited to the duties and responsibilities as below:</p> <ul style="list-style-type: none"> <li>• To review and make recommendations to the Board on remuneration and other entitlements for all Directors and senior management.</li> <li>• To ensure remuneration of Non-Executive Directors is linked to their level of experiences and responsibilities.</li> </ul> <p>The written Terms of Reference is made available on the company's official website at <a href="http://www.tcsgroup.com.my">www.tcsgroup.com.my</a></p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	Detailed disclosure on named basis for the remuneration of individual directors for the period under review, is provided in next page of this 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	Tan Sri Dato' Sri Izzuddin Bin Dali	Independent Director	-	-	-	-	-	-	-	73	-	-	-	-	-	73
2	Dato' Ir Tee Chai Seng	Executive Director	-	-	-	-	-	-	-	-	300	576	-	13	EPF(ER) 69 SOC SO (ER) 1	959
3	Wong Choo Leong	Executive Director	-	-	-	-	-	-	-	-	24	132	50	5	EPF(ER) 15 SOC SO (ER) 1 EIS (ER) 1	228
4	Dato' Seri Ir Mohamad Othman Bin Zainal Azim	Independent Director	-	-	-	-	-	-	-	61	-	-	-	-	-	61
5	Ooi Guan Hoe	Independent Director	-	-	-	-	-	-	-	60.5	-	-	-	-	-	60.5
6	Sharon Chew Mun Hoong	Independent Director	-	-	-	-	-	-	-	49	-	-	-	-	-	49

**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.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Board acknowledges the importance of transparency in corporate governance, including the disclosure of senior management remuneration. However, the remuneration of the top five Senior Management members is not disclosed on a named basis in bands of RM50,000. The Board is of the view that such detailed disclosure may not be in the best interest of the Group, as it could pose confidentiality, sensitivity, and security concerns.</p> <p>Nonetheless, the Board ensures that the remuneration framework for Senior Management is fair, competitive, and aligned with the Company's long-term objectives. The remuneration packages are reviewed annually, taking into consideration individual performance, contributions to the Group, industry benchmarks, and the overall financial health of the Company.</p> <p>While the Company departs from this specific disclosure practice, the Board remains committed to ensuring that the remuneration of Senior Management is structured to attract, retain, and motivate key talent, while maintaining accountability and alignment with shareholders' interests.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1								
2								
3								
4								
5								

**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.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

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

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	For the period under review, the Chairman of the AC is Mr Ooi Guan Hoe, who is an Independent Non-Executive Director and he is not the Chairman of the Board.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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>Currently, none of the members of the AC are former audit partners of the Company and the Company recognised the need to enhance and uphold independence of its external auditors and that no possible conflict of interest or whatsoever should arise.</p> <p>The AC had revised its Terms of Reference to include the policy to require a former partner of the external audit firm to observe a cooling-off period of at least three (3) years. A copy of the AC's Terms of Reference is made available on the company's official website at <a href="http://www.tcsgroup.com.my">www.tcsgroup.com.my</a>.</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 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AC committed to ensuring the integrity, quality, and reliability of the audited financial statements by maintaining a robust framework for assessing the suitability, objectivity, and independence of the external auditor.</p> <p>To uphold these principles, the AC has established a structured assessment process, which includes the following procedures:</p> <ul style="list-style-type: none"><li>• <b>Audit Planning Review:</b> The AC reviews the external auditor's audit planning memorandum at the beginning of each financial period. This document outlines key aspects such as the audit engagement and reporting responsibilities, audit approach and methodology, key audit matters, deliverable timelines, and the proposed statutory audit fees.</li><li>• <b>Declaration of Independence:</b> The external auditor provides an annual written declaration confirming their independence in accordance with regulatory and professional requirements. This ensures that there are no conflicts of interest that could impair their objectivity.</li><li>• <b>Annual Performance and Independence Assessment:</b> The AC conducts an annual evaluation of the external auditor's performance, focusing on their audit quality, technical expertise, professional scepticism, responsiveness, and adherence to ethical and independence requirements.</li><li>• <b>Re-appointment Recommendation:</b> Based on the outcome of the assessment, the AC determines whether the external auditor remains suitable for reappointment. If satisfied with their performance, objectivity, and independence, the AC recommends their reappointment to the Board for shareholders' approval at the Annual General Meeting.</li></ul> <p>By implementing these rigorous assessment measures, the AC ensures that the external auditor remains independent and continues to provide high-quality audit services, thereby safeguarding the integrity of the Company's financial reporting.</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.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	All the AC's member are Independent Non-Executive Directors.

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AC collectively possesses a diverse range of skills, knowledge, and experience necessary to effectively discharge its responsibilities. All members are financially literate and have a strong understanding of matters under the AC's purview, including financial reporting, risk management, internal controls, and audit processes.</p> <p>The AC's Chairman is a member of the Malaysian Institute of Accountants (MIA), demonstrating professional competency and adherence to high standards of financial governance. Another AC member has over 20 years of experience in the financial services and capital market industry, bringing valuable insights into financial oversight and risk management. Their combined expertise in finance and accounting enables the AC to critically assess financial statements, oversee the integrity of the financial reporting process, and ensure compliance with regulatory requirements.</p> <p>In line with best practices, all AC members actively engage in continuous professional development to stay updated on evolving accounting and auditing standards, regulatory changes, and industry developments. This commitment ensures that the AC remains effective in providing independent oversight and upholding corporate governance best practices.</p> <p>The qualifications and experience of each AC member are detailed in the Directors' Profiles section of the Annual Report 2024.</p>
<b>Explanation for departure</b>	:	

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

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board affirms its overall responsibility for maintaining a sound risk management and internal control framework to safeguard shareholders' interests and the Group's assets. This framework encompasses risk assessment processes, as well as financial, operational, environmental, and compliance controls, ensuring that key business risks are identified, assessed, and managed effectively.</p> <p>To strengthen governance, the Board has delegated the responsibility of identifying, assessing, and managing key business risks to the Managing Director, with oversight and review responsibilities assigned to the RMC. The RMC plays a critical role in evaluating the adequacy and effectiveness of the Group's risk management and internal control system, providing assurance to the Board that the framework remains robust and responsive to emerging risks.</p> <p>The Group's risk management and internal control framework is periodically reviewed and enhanced to reflect changes in the business environment, regulatory landscape, and operational needs. This ongoing review ensures that the system remains effective in mitigating risks while supporting the Group's strategic objectives and long-term sustainability.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board is committed to maintaining a sound risk management and internal control framework to safeguard shareholders' interests and ensure the Group's long-term sustainability. In line with this commitment, the Board has established a structured framework that enables the identification, assessment, and mitigation of key risks that could impact the Group's operations and strategic objectives.</p> <p>The features of the Company's Risk Management and Internal Control Framework, as well as its adequacy and effectiveness, are comprehensively disclosed in the Statement on Risk Management and Internal Control within the Annual Report 2024. This statement outlines the governance structure, key responsibilities, and processes in place to manage risks and ensure a robust internal control environment.</p> <p>The framework is regularly reviewed by the Board, with oversight from the AC and RMC, to ensure its continued relevance and effectiveness in addressing emerging risks. The Board also considers independent assessments from internal and external auditors to enhance the framework's integrity and reliability.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The Board has set up RMC which comprising a majority of Independent Non-Executive Directors to oversee the Company's risk management framework and policies.



**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The internal audit function is outsourced to an independent professional firm, Sterling Business Alignment Consulting Sdn. Bhd., ensuring objectivity and impartiality in assessing the adequacy and effectiveness of the Group's risk management and internal control system.</p> <p>To uphold the independence of the internal audit function, the internal auditors report directly to the AC without any interference from management. The AC is responsible for reviewing and approving the proposed internal audit plan and internal audit fees, ensuring alignment with the Group's risk profile and operational needs.</p> <p>Internal audit reports, which include audit findings, recommendations, and management's response, are presented and deliberated at AC meetings. The implementation status of corrective actions is monitored, and updates are provided to the AC in subsequent meetings. The AC then escalates key findings to the Board for further deliberation and necessary action.</p> <p>To reinforce independence, internal auditors do not participate in management decision-making or the implementation of action plans. The AC conducts an annual assessment of the internal audit function to ensure its effectiveness, objectivity, and continued ability to operate independently in providing reliable assurance to the Board.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The internal audit function is outsourced to an independent professional firm, Sterling Business Alignment Consulting Sdn. Bhd., a corporate member of Internal Auditors Malaysia. This outsourcing arrangement ensures that the internal audit team remains independent and free from any relationships or conflicts of interest that could compromise their objectivity.</p> <p>The internal audit function adheres to the International Professional Practices Framework established by the Institute of Internal Auditors Global, ensuring that audit processes and methodologies align with globally recognized best practices.</p> <p>The internal audit team comprises experienced professionals with diverse expertise, including one executive director, one senior manager, one assistant manager, and three senior consultants/consultants. This team structure provides sufficient resources to effectively carry out risk-based audit assignments across the Group.</p> <p>The internal audit function operates with a clear mandate to provide independent assurance on the adequacy and effectiveness of the Group's risk management, internal control, and governance processes. Regular assessments are conducted to maintain high standards of audit quality and to ensure continuous improvement in audit practices.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is committed to ensuring effective, transparent, and regular communication with stakeholders to foster trust and confidence in the Company. Various communication channels are in place to provide timely and accurate updates on the Company's performance, strategic initiatives, and material developments.</p> <p>Announcements, quarterly and annual financial reports are made available through Bursa Securities' website at <a href="http://www.bursamalaysia.com">www.bursamalaysia.com</a> and the Company's official website at <a href="http://www.tcsgroup.com.my">www.tcsgroup.com.my</a>, ensuring accessibility for shareholders and the investing public.</p> <p>The Board acknowledges the significance of timely dissemination of material information. As part of its commitment to transparency, the Company strives to release its quarterly financial results within two months after the end of each financial quarter and its annual financial statements within four months after the end of the financial year.</p> <p>To encourage shareholder participation, a dedicated question-and-answer session is conducted during the AGM, providing shareholders with the opportunity to raise concerns and seek clarifications from the Board and Management. Additionally, upon request, Directors are available to engage with investors and investment analysts for further discussions and clarifications on the Company's strategies, performance, and outlook.</p> <p>The Company also leverages digital platforms, media releases, and investor briefings to strengthen its engagement with stakeholders, ensuring a consistent and transparent flow of information.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

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

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AGM is a crucial platform for shareholder engagement, providing an opportunity for shareholders to receive updates on the Company's performance, participate in discussions, and exercise their voting rights on key matters.</p> <p>In line with best corporate governance practices and to facilitate meaningful engagement, the Notice of the 5th AGM of the Company held in 2024 was issued more than twenty-eight (28) days before the meeting. The notice was served on 26 April 2024, while the AGM took place on 12 June 2024. In addition to being disseminated to shareholders, the AGM Notice was published in a widely circulated newspaper and made available on the Company's official website.</p> <p>By providing at least 28 days' notice, the Company ensured that shareholders had ample time to review the proposed resolutions, seek clarification where necessary, and prepare any relevant questions for the Board and Management. This extended notice period also allowed shareholders to make the necessary arrangements to attend and participate in the AGM, whether in person or remotely via the Remote Participation and Voting ("RPV") facilities, either personally or through their corporate representatives or proxies.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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>During the 5th AGM, all meeting participants, including the Chairman of the meeting, Board members, senior management, and shareholders, participated virtually. The presence of all Directors at the AGM ensured that shareholders had the opportunity to engage directly with them and raise any questions or concerns regarding the Company's operations and governance.</p> <p>The Chairman of NC, RC, RMC and AC were also in attendance to provide meaningful and informed responses to queries relevant to their respective areas of oversight. This facilitated a transparent and productive discussion, reinforcing the Company's commitment to good corporate governance and accountability.</p> <p>Barring any unforeseen circumstances, all Directors are committed to attending the forthcoming 6th AGM of the Company. Their presence will continue to provide shareholders with direct access to the Board, allowing them to seek clarifications, voice concerns, and receive detailed responses from the respective Board Committees' Chairman and Directors. This commitment underscores the Company's dedication to fostering open communication and meaningful shareholder engagement.</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 13.3

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company conducted its 5th AGM entirely virtually, leveraging technology to facilitate electronic voting and remote shareholder participation. The meeting was live-streamed, and shareholders were able to participate remotely through the RPV facilities provided by Agmo Digital Solutions Sdn Bhd ("<b>Agmo</b>"), which was appointed as the Poll Administrator to oversee the polling process.</p> <p>By conducting a fully virtual AGM, the Company enhanced shareholder accessibility and engagement, enabling greater participation from shareholders regardless of their geographical location. Shareholders were encouraged to submit questions, suggestions, or comments via a typed-text feature during the AGM, ensuring transparency and active engagement. All shareholder queries were addressed during the meeting.</p> <p>All resolutions tabled at the 5th AGM were put to vote through electronic polling via RPV facilities. An independent scrutineer was appointed to validate the poll results, ensuring the integrity and accuracy of the voting process. The results of the poll were promptly displayed on-screen to shareholders and proxies once verified by the scrutineer.</p> <p>The RPV platform provided by Agmo, Vote2U, operates on an immutable blockchain audit trail powered by Quorum Blockchain technology. This ensures data integrity, transparency, and tamper-proof results. Vote2U has been audited by Crowe and NetAssist to verify its functionality and security compliance, further reinforcing the Company's commitment to robust cyber hygiene and data protection measures.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

## Practice 13.4

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

*Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairman acknowledges the importance of general meetings as a key platform for meaningful engagement between the Board, senior management, and shareholders. These meetings facilitate transparent communication, foster constructive discussions, and provide shareholders with the opportunity to voice their concerns, seek clarifications, and offer feedback on the Company's financial and non-financial performance, corporate strategies, and overall business direction.</p> <p>To encourage active participation, shareholders were given ample time to submit questions related to the resolutions tabled at the 5th AGM, as well as inquiries regarding the Company's financial performance, future prospects, and corporate governance matters. The real-time submission of typed texts via the RPV facilities provided by Agmo served as the primary channel for shareholder engagement.</p> <p>During the 5th AGM, a total of nine (9) questions were received, covering various aspects of the Company's operations, financial performance, and strategic outlook. The Managing Director personally addressed each question, providing clear and comprehensive responses to ensure shareholders were well informed.</p> <p>The Company remains committed to maintaining an open and interactive dialogue with its shareholders, ensuring that all questions raised at general meetings are meaningfully addressed.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

## Practice 13.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>To ensure a seamless and interactive virtual general meeting experience, the Company engaged Hurr.tv to provide high-quality audio and visual support services for the live broadcast of the 5th AGM. The proceedings were live-streamed and made accessible via the Vote2U Online website at <a href="https://web.vote2u.my">https://web.vote2u.my</a>, allowing shareholders to participate remotely with ease.</p> <p>Recognizing the importance of meaningful engagement with shareholders, the Board appointed Agmo as the Poll Administrator, given its extensive experience in managing fully virtual meetings through RPV facilities. Agmo was responsible for verifying the eligibility of shareholders, corporate representatives, and proxies to attend the AGM based on the General Meeting Record of Depositors as of the cut-off date and proxy form submission deadline. Access to the meeting platform was secured exclusively for registered members with approved RPV access.</p> <p>The virtual meeting platform provided shareholders with the flexibility to join the AGM remotely using different electronic devices, such as smartphones, tablets, or computers. It also enabled real-time viewing of the live webcast, ensuring a smooth and uninterrupted experience.</p> <p>To facilitate interactive participation, shareholders were able to submit questions via the Vote2U Online website. These questions were captured and transmitted to the Company for action and response. To enhance clarity and efficiency, the questions were moderated to avoid duplication, ensuring that all unique and relevant queries received due attention.</p> <p>Additionally, the poll results for each Resolution were promptly displayed to all shareholders, corporate representatives, and proxies after being verified by an independent scrutineer. The</p>

	Chairman of the Meeting then formally declared the outcome of the resolutions, ensuring full transparency in the voting process.	
<b>Explanation for departure</b>		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>		
<b>Timeframe</b>		

**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.

*Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.*

Application	:	Applied	
Explanation on application of the practice	:	<p>For the 5<sup>th</sup> AGM, the minutes of the meeting were reviewed and approved by the Board of Directors and subsequently uploaded to the Company's website within 30 business days at <a href="http://www.tcsgroup.com.my">www.tcsgroup.com.my</a>.</p> <p>The minutes included key discussions, questions raised by shareholders, and the responses provided by the Board and Management, ensuring that shareholders—whether present at the meeting or not—had access to timely and relevant information regarding the proceedings and resolutions passed.</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	:		

## **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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