

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 0390  
**COMPANY NAME** : ISF GROUP BERHAD  
**FINANCIAL YEAR** : December 31, 2025

## OUTLINE:

### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

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

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

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

## SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors ("Board") of ISF Group Berhad ("ISF" or "the Company") bears collective responsibility for providing leadership, direction, and effective oversight of the Company and its subsidiary (collectively referred to as the "Group"), with the objective of safeguarding the Group's long-term success and creating sustainable value for its stakeholders. In carrying out this role, the Board is committed to upholding high standards of corporate governance. Each Director is expected to exercise sound stewardship, act with professionalism, and uphold the Group's core values at all times, while observing their fiduciary duties and responsibilities.</p> <p>In fulfilling its fiduciary obligations and leadership role, the Board is guided by the Board Charter, which sets out, among others, the functions and responsibilities of the Board, matters reserved exclusively for the Board, and matters that may be delegated to the Managing Director ("MD")/ Executive Director ("ED") and Management. To support the efficient discharge of its duties, the Board has established the following Board Committees and delegated specific responsibilities to them under their respective Terms of Reference ("TOR"):</p> <ul style="list-style-type: none"><li>• Audit and Risk Management Committee ("ARMC");</li><li>• Nomination Committee ("NC"); and</li><li>• Remuneration Committee ("RC").</li></ul> <p>Notwithstanding such delegation, the Board remains ultimately accountable for all decisions made in respect of matters considered by these Committees. The Chairman/Chairperson of each respective Board Committee also reports to the Board on significant matters deliberated during committee meetings.</p>

	<p>The Board's key responsibilities include setting the strategic direction of the Group, overseeing its business performance and sustainability, approving major corporate proposals and investments, and ensuring effective succession planning. The Board also oversees risk management, internal controls, corporate governance, and compliance, while ensuring that the Group's financial reporting is prepared in accordance with applicable standards and supported by sound judgment and consistent accounting policies.</p> <p>The Board has also adopted a Code of Ethics and Conduct as an internal guide for the Directors and employees of the Group in carrying out their daily activities. The Code of Ethics and Conduct forms part of the Company's Board Charter, which is accessible on the Company's website at <a href="http://www.isf.com.my">www.isf.com.my</a>.</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>The Chairperson of the Board, Ms. Yap Chui Fan, is an Independent Non-Executive Director and plays a pivotal role in providing leadership to the Board, ensuring its effectiveness, upholding its integrity, and promoting sound corporate governance practices throughout the Group.</p> <p>The roles and responsibilities of the Chairperson of the Board have been clearly specified in the Company's Board Charter, which is accessible via the Company's website at <a href="http://www.isf.com.my">www.isf.com.my</a>.</p> <p>At Board Meetings, the Chairperson promotes a constructive environment that supports open and candid discussions, while encouraging active participation from all Directors. The Chairperson also ensures that decisions are made based on sound and well-informed judgement, with careful evaluation of all strategic and critical issues by 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**

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 roles of the Chairperson and the MD are held by separate individuals and are clearly distinguished to ensure an appropriate balance of power, authority, and accountability within the Company. Ms. Yap Chui Fan serves as the Independent Non-Executive Chairperson, while Mr. Ai Boon Chen is the MD of the Company.</p> <p>There is a clear and well-defined division of responsibilities between the Chairperson and the MD, which is set out in the Company's Board Charter. This separation of roles is intended to promote sound governance, strengthen accountability, and support effective decision-making at both Board and Management levels.</p> <p>The Chairperson is primarily responsible for providing leadership to the Board, fostering a culture of good corporate governance, and ensuring the effectiveness of the Board in carrying out its oversight responsibilities. The MD is responsible for the overall management of the Group's day-to-day operations and for executing the strategies, policies, and decisions approved by 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**

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>	:	The Chairperson of the Board, Ms. Yap Chui Fan, does not serve as a member of the ARMC, NC and RC of the Company, and accordingly does not participate in Board Committees meetings. This is to ensure that checks and balances, as well as to maintain the independence and objectivity of the Board Committees, free from any undue influence arising from the Chairperson's involvement in the same Committees.
<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 Group is currently outsourcing the corporate secretarial function to Cospec Management Services Sdn. Bhd.</p> <p>The Board is supported by two (2) Company Secretaries who are experienced and qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016 ("Act") and are registered holders of the Practising Certificate issued by the Companies Commission of Malaysia.</p> <p>The Board recognises the important role of the Company Secretaries and is committed to ensuring that they are able to effectively discharge the responsibilities entrusted to them.</p> <p>The Company Secretaries play an important role in facilitating the overall compliance with the Act, ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), Malaysian Code on Corporate Governance ("MCCG") and other relevant laws and regulations. The Company Secretaries also assist the Board and Board Committees to function effectively and in accordance with their TOR and best practices and ensure adherence to the existing Board policies and procedures. In order to discharge the roles effectively, the Company Secretaries have been continuously attending the necessary training programmes, conferences or seminars organised by relevant authorities and/or professional bodies to keep themselves abreast with the latest developments in the corporate governance realm and changes in regulatory requirements that are relevant to their profession and enable them to provide the necessary advisory role to the Board.</p> <p>The Board has direct access to the professional advice and support of the Company Secretaries and their team in the performance of its duties and responsibilities.</p> <p>During the financial year under review, the Board and Board Committees' meetings were properly convened, and accurate and proper records of the proceedings and resolutions passed were taken and maintained in the statutory records of the Company.</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 facilitate the Directors' planning and scheduling, the Company Secretaries prepare an annual meeting calendar prior to the start of each financial year. This calendar sets out the dates for Board and Board Committee meetings, as well as the annual general meeting ("AGM"), and also identifies closed periods for trading in the Company's securities by Directors and principal officers, aligned with the release of the Group's quarterly results.</p> <p>Meeting notices, together with the relevant papers, are circulated to Directors via email at least five (5) business days before each meeting to allow sufficient time for review and informed decision-making.</p> <p>The deliberations and decisions of the Board or Board Committees meetings are duly recorded in the minutes of meetings, including whether any Director abstains from voting or deliberating on a particular matter. Draft minutes of meetings are circulated for the Board or Board Committees in a timely manner for review before being confirmed and adopted at subsequent meetings. The Company Secretaries also ensure that deliberations at meetings are properly documented.</p> <p>Records of proceedings and resolutions passed are kept at the registered office of the Company.</p> <p>For urgent matters that require the Board's attention outside scheduled meetings, board papers along with the Directors' Written Resolution will be circulated for the Board's consideration. All written resolutions approved by the Board will be tabled for notation at the next Board Meeting.</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**

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>On 6 June 2025, the Company formalised and implemented a Board Charter, which incorporates the Code of Ethics and Conduct. The Board Charter outlines the composition, structure, authority, roles, responsibilities, operations, and processes of the Board, along with internal processes and principles governing its functions. It also serves as a key reference document and primary induction material for newly appointed Directors, providing them with an understanding of the Board's functions and expectations.</p> <p>The Board Charter is published on the Company's corporate website at <a href="http://www.isf.com.my">www.isf.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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Code of Ethics and Conduct which forms part of the Board Charter is observed by all Directors, Management and employees of the Group is available on the Company's website at <a href="http://www.isf.com.my">www.isf.com.my</a>.</p> <p>The Board adheres strictly to the Code of Ethics and Conduct, which requires all Directors, Management, and employees of the Group to uphold high ethical standards in all aspects of the Group's business and professional conduct, acting in the best interests of the Group and its shareholders. Periodic reviews of the Code of Ethics and Conduct will be conducted by the Board to ensure its continued relevance and appropriateness.</p> <p>The Board will review the Code of Ethics and Conduct from time to time to ensure that it continues to remain relevant and appropriate.</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 3.2**

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>The Board recognises whistleblowing as an important mechanism for the prevention and detection of improper conduct, harassment and corruption in the Group’s business operations and activities.</p> <p>In line with this, the Board adopted a Whistleblowing Policy on 10 June 2025 to provide a defined avenue and accessible reporting channels for all employees of the Group to raise concerns or disclose any improper conduct within the Group which is available on the Company’s corporate website at <a href="http://www.isf.com.my">www.isf.com.my</a>.</p> <p>The Board will review and update the Whistleblowing Policy at least once every three (3) years to ensure its effectiveness and consistency with the governing legislation and regulatory requirements.</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>Given the Board’s recognition of the strategic importance of sustainability to the Group, the Board adopted the Group’s Sustainability Policy on 1 December 2025.</p> <p>The Board, together with the Management, is responsible for overseeing the Company’s sustainability governance, including setting the Company’s sustainability strategies, priorities, and targets. Progress against these established targets is communicated to both internal and external stakeholders of the Company.</p> <p>To drive and strengthen sustainability efforts across the Group, Management has implemented various measures, including enhancing financial practices to deliver sustainable returns to stakeholders, minimising adverse environmental impacts while preserving the surrounding environment, and cultivating a strong, diverse, and capable workforce in a safe working environment.</p> <p>In addition, the ARMC has been entrusted to assist the Board in overseeing the Company’s sustainability implementation and reporting, based on Economic, Environmental, Social and Governance pillars. This responsibility has been incorporated into the TOR of ARMC as well.</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**

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 acknowledges that strong and meaningful relationships with stakeholders are essential to the Company's continued growth and long-term sustainability. Regular engagement, open communication, and constructive feedback from stakeholders play an important role in shaping the Company's strategies, decision-making, and business practices.</p> <p>The Company also promotes open and two-way communication with its employees by providing avenues to share business performance updates, discuss growth strategies, and address workplace-related matters. This approach helps to foster stronger employee engagement, alignment with the Company's objectives, and mutual trust across the organisation.</p> <p>Details pertaining to the stakeholders' engagement are available in the Sustainability Statement in the Annual Report 2025.</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, through the NC, assessed the training programmes attended by each Director during the financial year to ensure they remain updated on the latest developments and sustainability issues relevant to the Group. This includes factors driving climate change, sustainable finance and achieving a sustainable business model.</p> <p>The key training programmes attended by each Director during the FYE 2025 are set out in the Corporate Governance Overview Statement of Annual Report 2025.</p> <p>The Company Secretaries regularly update the Board on the changes in the Listing Requirements and/or other regulatory requirements upon receiving the circulars from Bursa Securities and/or other regulators, which are relevant to the Company and provide advice on corporate disclosures and compliance issues.</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>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board and Management work closely together in overseeing material sustainability matters, including identifying and addressing the related risks and opportunities that may affect the Group’s long-term growth and resilience.</p> <p>The Board’s effectiveness in overseeing the Group’s strategic and business plans, including matters relating to sustainability, was assessed as part of the annual Board Effectiveness Evaluation for the financial year ended 2025.</p> <p>Together, the Board and Management address the Company’s material matters, as well as the corresponding risks and opportunities, and put in place appropriate mitigation measures to support sustainable performance and safeguard shareholders’ returns.</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 4.5- 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 is responsible for overseeing the overall composition of the Board to ensure that it remains appropriately balanced in terms of skills, experience, core competencies, independence, and the mix between Executive and Independent Non-Executive Directors. In carrying out this role, the NC reviews the Board's composition periodically to ensure that it continues to meet the evolving needs of the Company and supports effective Board refreshment where necessary.</p> <p>The NC also undertakes an annual assessment of the effectiveness of the Board, Board Committees, and the contribution and performance of each individual Director.</p> <p>The Board is mindful that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years as recommended by the MCCG. Where the Board intends to retain an Independent Director beyond this period, it will provide the necessary justification and seek shareholders' approval through a two-tier voting process at a general meeting. During the FYE 2025, none of the Directors has served the Board for a cumulative term of more than nine (9) years.</p> <p>The re-election of retiring Directors at the annual general meeting is subject to a satisfactory evaluation of their performance, contribution, commitment, and ability to act in the best interests of the Company. In assessing a Director's suitability for re-election, the NC takes into consideration the results of the annual performance evaluation, as well as the Director's competencies, character, experience, and overall effectiveness in discharging his or her responsibilities on the Board.</p> <p>In addition, the Directors' Fit and Proper Policy, which was adopted on 1 December 2025, serves as a guiding framework for the NC and the Board in the appointment and re-election of Directors within the Group. This policy is available on the Company's website at <a href="http://www.isf.com.my">www.isf.com.my</a>.</p>
<b>Explanation for departure</b>	:	

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

<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>The current Board consist of seven (7) members, comprising three (3) Executive Directors and four (4) Independent Non-Executive Directors, as set out in the table below:-</p> <table border="1"> <thead> <tr> <th>Name</th> <th>Designation</th> </tr> </thead> <tbody> <tr> <td>Yap Chui Fan</td> <td>Independent Non-Executive Chairperson</td> </tr> <tr> <td>Ai Boon Chen</td> <td>Managing Director</td> </tr> <tr> <td>Ai Sew Fuat</td> <td>Executive Director</td> </tr> <tr> <td>Lim Ay Yum</td> <td>Executive Director</td> </tr> <tr> <td>Sim Seng Loong @ Tai Seng</td> <td>Independent Non-Executive Director</td> </tr> <tr> <td>Ir. Chow Kai Hoon</td> <td>Independent Non-Executive Director</td> </tr> <tr> <td>Christine Toh Hung Mei</td> <td>Independent Non-Executive Director</td> </tr> </tbody> </table> <p>The present composition of the Board complies with Rule 15.02 of the Listing Requirements of Bursa Securities and Practice 5.2 of the MCGG as half of the Board comprises Independent Directors. All the Independent Directors are satisfied with the independence test under the Listing Requirements of Bursa Securities.</p>	Name	Designation	Yap Chui Fan	Independent Non-Executive Chairperson	Ai Boon Chen	Managing Director	Ai Sew Fuat	Executive Director	Lim Ay Yum	Executive Director	Sim Seng Loong @ Tai Seng	Independent Non-Executive Director	Ir. Chow Kai Hoon	Independent Non-Executive Director	Christine Toh Hung Mei	Independent Non-Executive Director
Name	Designation																	
Yap Chui Fan	Independent Non-Executive Chairperson																	
Ai Boon Chen	Managing Director																	
Ai Sew Fuat	Executive Director																	
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<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 5.3**

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>	:	There are no Independent Non-Executive Directors who have served on the Board of the Company for a cumulative term exceeding nine (9) years.	
<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 Board believes that attracting and retaining the best available talent, regardless of gender, ethnicity, and age, is essential to enhancing the overall effectiveness of the Board.</p> <p>In considering any appointment, the Board takes into account a range of factors, including, among others, gender, age, cultural and educational background, ethnicity, professional experience, skills, and knowledge, with the aim of maintaining a diverse Board and senior management team. Such diversity is viewed as an important factor in supporting the Group’s growth and strengthening good governance practices.</p> <p>To support a consistent and transparent process, the Board has adopted the Directors’ Fit and proper Policy to guide the appointment and re-election of Directors within the Group. This Policy is accessible on the Company’s corporate website, <a href="http://www.isf.com.my">www.isf.com.my</a>.</p> <p>The Board has also adopted the Nomination and Appointment of New Directors Process and Procedures to formalise the process for the nomination and appointment of new Directors. This provides a clear framework for the NC and the Board in discharging their responsibilities in terms of the nomination and appointment of new Directors of the Group.</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>	:		
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**Intended Outcome**

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

**Practice 5.6**

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The appointment of a new Director is subject to a thorough assessment by the NC and its recommendation to the Board, with the final decision resting with the Board. The existing Board members were identified and evaluated by the Principal Adviser and Sponsor from various independent sources in connection with the Company’s listing on the ACE Market of Bursa Securities (“Listing”).</p> <p>In sourcing potential candidates, the NC is open to recommendations from a wide range of external sources, such as industry acquaintances, contacts in related industries, consultants, and other relevant networks, in addition to recommendations from existing Board members, Management, or major shareholders. This enables the NC to tap into a broad and diverse pool of candidates. Shortlisted candidates are required to provide their curriculum vitae detailing their academic and professional qualifications, work experience, employment history, and experience as directors of listed companies, where applicable.</p> <p>The NC conducts an annual review of the mix of skills, experience, and other qualities, including core competencies, required of the Board, and also evaluates the effectiveness of the Board as a whole. In doing so, the NC takes into consideration succession planning, boardroom diversity, and gender diversity to ensure that the Board remains effective in discharging its responsibilities.</p> <p>The policies and procedures relating to the recruitment and appointment of new Directors are governed by the TOR of the NC and the Company’s Directors’ Fit and Proper Policy.</p>
<b>Explanation for departure</b>	:	

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

<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 performance of the retiring Directors who are offering themselves for re-election at the First Annual General Meeting ("1st AGM") has been evaluated through the annual assessment conducted by the NC, which included a review of the independence of the Independent Non-Executive Directors. Based on the outcome of the assessment, the NC recommended the retiring Directors to the Board for approval for re-election.</p> <p>The profiles of the Directors standing for re-election, together with the nature of their interests in the Company, where applicable, are set out in the Annual Report 2025. Pursuant to the Company's Constitution, all Directors shall retire and offer themselves for re-election at the forthcoming 1st AGM.</p> <p>The Board and the NC have expressed their satisfaction with the performance and effectiveness of the retiring Directors who are standing for re-election at the 1st AGM, and this statement is set out in the notes accompanying the Notice of the 1st 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**

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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The NC is chaired by Mr. Ir. Chow Kai Hoon, an Independent Non-Executive Director of the Company.  The profile of the Chairperson of the NC is disclosed in the Annual Report 2025.	
<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 5.9**

The board comprises at least 30% women directors.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	As at 31 December 2025, the Board comprises seven (7) Directors, of whom three (3) are women, representing 42.9% women representation at Board level.	
<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 5.10**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board adopted a Gender Diversity Policy on 1 December 2025 to provide a framework for enhancing gender diversity at the Board and Senior Management levels.</p> <p>The Company recognises the importance of promoting gender diversity as part of its commitment to effective leadership and good governance, and will continue to support greater female participation at the Board and Senior Management levels. However, to ensure that appointments remain based on merit, competence, and the overall needs of the Group, no specific target for female representation has been set under the Policy</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 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.

*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.*

<b>Application</b>	:	Applied				
<b>Explanation on application of the practice</b>	:	<p>The Company has in place a formal process for assessment of the effectiveness of the Board and the Board Committees as a whole and the contribution by each Director, including the independence of the Independent Non-Executive Director and the effectiveness of the Board and Committees, making reference to the guides available and the good corporate governance compliance.</p> <p>The annual evaluation is conducted internally through a formal process. The evaluation involves the Directors completing a set of self-evaluation questionnaires and submitting the results to the NC. The NC would review the result, assess and make recommendations to the Board.</p> <p>The annual assessment criteria of the Board and Board Committees and individual Directors were updated to stay aligned with the MCCG practices. The areas covered in the aforesaid annual assessment criteria are as follows:</p> <table border="1" data-bbox="586 1394 1373 1843"> <thead> <tr> <th data-bbox="586 1394 865 1436">Evaluation</th> <th data-bbox="865 1394 1373 1436">Assessment Criteria</th> </tr> </thead> <tbody> <tr> <td data-bbox="586 1436 865 1843">Board and Board Committees as a whole</td> <td data-bbox="865 1436 1373 1843"> <ul style="list-style-type: none"> <li>• Role of the Chairperson and Executive Directors</li> <li>• Board balance, size and composition</li> <li>• Board structure and procedures</li> <li>• Relationship of the Board to Management</li> <li>• Quality and supply of information to the Board/Board’s Committees</li> <li>• Access to information and advice</li> <li>• Accountability for financial reporting, internal control and sustainability risk and opportunities</li> </ul> </td> </tr> </tbody> </table>	Evaluation	Assessment Criteria	Board and Board Committees as a whole	<ul style="list-style-type: none"> <li>• Role of the Chairperson and Executive Directors</li> <li>• Board balance, size and composition</li> <li>• Board structure and procedures</li> <li>• Relationship of the Board to Management</li> <li>• Quality and supply of information to the Board/Board’s Committees</li> <li>• Access to information and advice</li> <li>• Accountability for financial reporting, internal control and sustainability risk and opportunities</li> </ul>
Evaluation	Assessment Criteria					
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		<ul style="list-style-type: none"> <li>• Relation with Auditors/Shareholders/ Investors</li> <li>• Use of Board Committees</li> <li>• Directors' training</li> </ul>
	ARMC	<ul style="list-style-type: none"> <li>• Composition and quality</li> <li>• Oversight of the financial reporting process, including internal controls</li> <li>• Understanding the business, including risk and control environment</li> <li>• Access to information and advice</li> <li>• Oversight of audit functions</li> <li>• Compliance with corporate governance</li> <li>• External Auditors</li> <li>• Staying abreast on issues</li> <li>• Report and recommendations</li> </ul>
	MD/Executive Directors	<ul style="list-style-type: none"> <li>• Financial</li> <li>• Strategic and sustainability</li> <li>• Conformance and compliance</li> <li>• Business acumen/increasing shareholders' wealth</li> <li>• Succession planning</li> <li>• Personal input to the role</li> </ul>
	Non-Executive Directors/ Chairperson	<ul style="list-style-type: none"> <li>• Attendance at Board and/or Board Committees' meetings</li> <li>• Adequate preparation for Board and/or Board Committees' meetings/ Key responsibilities of the Chairperson</li> <li>• Regular contribution to Board and/or Board Committees' meetings</li> <li>• Personal input to the role</li> </ul>
	<p>In respect of the annual performance evaluation for the FYE 2025, it was concluded that:</p> <p>(a) the Board and Board Committees discharged their duties and responsibilities effectively; and</p> <p>(b) each Director continued to perform effectively and demonstrated commitment to his/her role.</p> <p>The Board is satisfied with the current evaluation process. The Board will continue to review the Board's evaluation process as and when necessary to ensure it remains a valuable feedback mechanism for improving the Board's effectiveness.</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 Board adopted a formal and transparent Remuneration Policy on 1 December 2025 to guide the determination of the Directors' and/or senior management's remuneration, which takes into account the demands, complexities and performance of the Company as well as skills and experience required. The Remuneration Policy is available on the Company's website at <a href="http://www.isf.com.my">www.isf.com.my</a>.</p> <p>The Board, assisted by the RC, implements the policy and procedures on remuneration, which includes reviewing and recommending the remuneration packages of the Directors of the Company. The RC is responsible for ensuring that the remuneration packages are benchmarked against relevant industry standards, having regard to the Group's performance within the industry, and are commensurate with the responsibilities and contributions expected of the Directors, while also being aligned with the Group's strategic objectives.</p> <p>The remuneration of the Executive Directors and senior management comprises fixed salaries and performance-based incentive components, while the remuneration of Non-Executive Directors consists of Directors' fees and shall not be based on commission, percentage of profits or turnover.</p> <p>Each Director abstains from deliberation and voting in respect of matters pertaining to his/her own remuneration.</p>
<b>Explanation for departure</b>	:	

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

<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 RC consist of the following members, all being Independent Non-Executive Directors:</p> <table border="1"> <thead> <tr> <th>RC</th> <th>Designation</th> </tr> </thead> <tbody> <tr> <td>Christine Toh Hung Mei</td> <td>Independent Non-Executive Director</td> </tr> <tr> <td>Sim Seng Loong @ Tai Seng</td> <td>Independent Non-Executive Director</td> </tr> <tr> <td>Ir. Chow Kai Hoon</td> <td>Independent Non-Executive Director</td> </tr> </tbody> </table> <p>The TOR of RC is accessible on the Company's website at <a href="http://www.isf.com.my">www.isf.com.my</a>.</p> <p>The RC is principally responsible for the development and review of the remuneration policy and packages of Directors, where necessary, and subsequently tables their recommendations to the Board on specific adjustments in remuneration (including fees and benefits) to commensurate the contributions of the Directors.</p>		RC	Designation	Christine Toh Hung Mei	Independent Non-Executive Director	Sim Seng Loong @ Tai Seng	Independent Non-Executive Director	Ir. Chow Kai Hoon	Independent Non-Executive Director
RC	Designation										
Christine Toh Hung Mei	Independent Non-Executive Director										
Sim Seng Loong @ Tai Seng	Independent Non-Executive Director										
Ir. Chow Kai Hoon	Independent Non-Executive Director										
<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**

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>	:	The detailed disclosure of the remuneration of each individual Director, on a named basis, for the FYE 2025 is set out below and is also disclosed in the Corporate Governance Overview Statement of the Annual Report 2025.

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	Yap Chui Fan	Independent Director	5	1	-	-	-	-	6	5	1	-	-	-	-	6
2	Ai Boon Chen	Executive Director	-	-	-	-	-	-	-	-	-	720	-	25	95	840
3	Ai Sew Fuat	Executive Director	-	-	-	-	-	-	-	-	-	270	-	21	36	327
4	Lim Ay Yum	Executive Director	-	-	-	-	-	-	-	-	-	360	-	-	45	405
5	Sim Seng Loong @ Tai Seng	Independent Director	3	1	-	-	-	-	4	3	1	-	-	-	-	4
6	Ir. Chow Kai Hoon	Independent Director	3	1	-	-	-	-	4	3	1	-	-	-	-	4
7	Christine Toh Hung Mei	Independent Director	3	1	-	-	-	-	4	3	1	-	-	-	-	4

**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>Due to the confidentiality and sensitivity of the remuneration packages of Senior Management as well as security concerns, the Board opts not to disclose the Senior Management’s remuneration components on a named basis in the bands of RM50,000.</p> <p>The Board is of the view that the disclosure of the Senior Management’s remuneration components on a named basis will not be in the best interest of the Company given that the competitive human resources environment as such disclosure may give rise to recruitment and talent retention issues.</p> <p>The Board is of the view that the disclosure of Senior Management’s aggregated remuneration on an unnamed basis in the bands of RM50,000 is adequate, as follows:-</p> <table border="1" data-bbox="587 1352 1378 1457"> <thead> <tr> <th>Range of Remuneration</th> <th>No. of Senior Management Officer</th> </tr> </thead> <tbody> <tr> <td>RM100,000 to RM150,000</td> <td>3</td> </tr> <tr> <td>RM150,001 to RM200,000</td> <td>2</td> </tr> </tbody> </table>		Range of Remuneration	No. of Senior Management Officer	RM100,000 to RM150,000	3	RM150,001 to RM200,000	2
Range of Remuneration	No. of Senior Management Officer								
RM100,000 to RM150,000	3								
RM150,001 to RM200,000	2								
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>									
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.							
<b>Timeframe</b>	:	Choose an item.							

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

**Intended Outcome**

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

**Practice 8.3 - Step Up**

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

<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	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Chairperson of the Board is Ms. Yap Chui Fan, while the Chairman of the ARMC is Mr. Sim Seng Loong @ Tai Seng. This separation of role is intended to preserve the objectivity and independence of the Board's review of the ARMC's findings and recommendations.	
<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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group recognises the importance of maintaining the independence of its external auditors and is committed to ensuring that no conflict of interest arises in relation to their appointment and conduct.</p> <p>Currently, the ARMC comprises three (3) members, none of whom is a former key audit partners of the external auditors appointed by the Company. In the event that a potential candidate for appointment to the ARMC was previously a key audit partner of the Group's external auditors, the Company will ensure that a cooling-off period of at least three (3) years is observed before such appointment is made.</p> <p>The requirement for former key audit partners of the external audit firm to observe a cooling off period of at least three (3) years before being appointed as a member of the ARMC has been incorporated as part of the TOR of the ARMC.</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 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 Board had established an External Auditors Assessment Policy along with an annual assessment form. This policy outlines the guidelines and procedures for the ARMC to review, assess and monitor the performance, suitability and independence of the External Auditors.</p> <p>The annual evaluation form provides a checklist for the ARMC to carry out a formal review of the independence, effectiveness and efficiency of the External Auditors of the Company that consider, among others, the following criteria:-</p> <ul style="list-style-type: none"><li>(a) Calibre of the audit firm;</li><li>(b) Quality of the audit engagement team;</li><li>(c) Quality of communication and interaction with the audit team;</li><li>(d) Audit scope and quality processes;</li><li>(e) Audit governance and independence; and</li><li>(f) Audit fee.</li></ul> <p>The ARMC reviews the appointment, performance and remuneration of the External Auditors before recommending them to the shareholders for re-appointment in the AGM.</p> <p>The External Auditors are prohibited from providing any services that may compromise their independence or give rise to any conflict with their role as the Company's External Auditors.</p> <p>In addition, the ARMC has received written assurance from the External Auditors confirming that they have remained independent throughout the audit engagement, in accordance with the relevant professional and regulatory requirements.</p> <p>The ARMC also carried out an annual assessment of the performance of the External Auditors and concluded that they possess the necessary competence, experience, and resources, and have delivered the expected quality of service in the discharge of their audit responsibilities to the Company and the Group.</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 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>	:	The ARMC comprises three (3) members who are exclusively Independent Non-Executive Directors. The composition of the ARMC is as follows:  i) Mr. Sim Seng Loong @ Tai Seng, Chairperson ii) Ms. Christine Toh Hung Mei, Member iii) Mr. Ir. Chow Kai Hoon, Member

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.5**

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairperson of ARMC, Mr. Sim Seng Loong @ Tai Seng is a Chartered Accountant and member of the Malaysian Institute of Accountants, Malaysian Institute of Certified Public Accountants and Certified Practising Accountants of Australia.</p> <p>The members of the ARMC are financially literate and possess the necessary skills and knowledge to discharge their duties in accordance with the TOR of the ARMC. They are able to understand the Group's business and matters under the purview of the ARMC including the financial reporting process.</p> <p>All members of the ARMC have also undertaken and will continue to undertake continuous professional development to keep themselves abreast of the relevant developments in accounting and auditing standards, practices ad rules. The details of the training attended by the ARMC members for the FYE 2025 are disclosed in the Annual Report 2025.</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**

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 acknowledges its overall responsibility for maintaining a sound system of internal control to safeguard shareholders' investments and the Company's assets. The system of internal control covers not only financial controls but operational and compliance controls and risk management.</p> <p>The Board has delegated the responsibility of reviewing the adequacy and effectiveness of the risk management and internal control systems to the ARMC.</p> <p>Details of the Group's risk management and internal control framework are set out in the Statement on Risk Management and Internal Control of the Annual Report 2025.</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**

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 recognises that effective risk management and internal control are integral to sound corporate governance. Accordingly, the Board assumes overall responsibility for ensuring that the Group maintains an appropriate framework to identify, assess, monitor, and manage material risks in a systematic and consistent manner.</p> <p>The Group has established an ongoing process for identifying, monitoring, and addressing significant risks through a structured framework supported by clear lines of reporting and accountability. The internal control system is designed to provide reasonable assurance in safeguarding the Group’s assets and supporting the achievement of its business objectives. Nevertheless, the Board acknowledges that, due to inherent limitations, such systems are not intended to eliminate all risks entirely nor provide absolute assurance against material misstatement, loss, or failure.</p> <p>Further details of the Group’s risk management and internal control framework are set out in the Statement on Risk Management and Internal Control contained in the Annual Report 2025.</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**

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> :	Not Adopted
<b>Explanation on adoption of the practice</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 11.1

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>In preparation for Listing, the Company engaged GovernanceAdvisory.com Sdn. Bhd. ("GA"), an independent internal audit consulting firm, as its Internal Control Consultant to review the adequacy and sufficiency of systems, procedures and controls of the Group.</p> <p>Following the completion of the Listing, the Group continued to entrust GA with the internal audit function. GA reports directly to the ARMC on the adequacy and effectiveness of the Group's risk management and internal control systems.</p> <p>Save for the Internal Control Review performed in conjunction with the listing exercise, no internal audit work was performed during the FYE 2025, as the Company was only listed on 28 January 2026 and GA was formally appointed as the Internal Auditor at the ARMC Meeting held on 25 February 2026.</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>	:	In preparation for the Listing, the Company had engaged GovernanceAdvisory.com Sdn. Bhd. ("GA"), an independent internal audit consulting firm, as its Internal Control Consultant to review the adequacy and sufficiency of systems, procedures and controls of the Group.												
		Subsequent to the Listing, the Group continued to entrust GA with the internal audit function.												
		The profile of GA is set out as follows:-												
		<table border="1" style="width: 100%;"> <tr> <td style="width: 25%;"><b>Principal Engagement Lead</b></td> <td style="width: 5%;">:</td> <td>Mr. Wong Tchen Cheg (<i>Executive Director</i>)</td> </tr> <tr> <td><b>Qualification</b></td> <td>:</td> <td> <ul style="list-style-type: none"> <li>• Chartered Account Malaysia</li> <li>• Member of CPA Australia</li> </ul> </td> </tr> <tr> <td><b>Experiences</b></td> <td>:</td> <td>Mr. Wong Tchen Cheg has approximately twenty (20) years of professional experiences in providing financial due diligence review, enterprise risk management system, and internal control reviews.</td> </tr> <tr> <td><b>No. of resources</b></td> <td>:</td> <td>The outsourced internal auditor assigned a group of four (4) personnel to perform internal audits for the Group.</td> </tr> </table>	<b>Principal Engagement Lead</b>	:	Mr. Wong Tchen Cheg ( <i>Executive Director</i> )	<b>Qualification</b>	:	<ul style="list-style-type: none"> <li>• Chartered Account Malaysia</li> <li>• Member of CPA Australia</li> </ul>	<b>Experiences</b>	:	Mr. Wong Tchen Cheg has approximately twenty (20) years of professional experiences in providing financial due diligence review, enterprise risk management system, and internal control reviews.	<b>No. of resources</b>	:	The outsourced internal auditor assigned a group of four (4) personnel to perform internal audits for the Group.
		<b>Principal Engagement Lead</b>	:	Mr. Wong Tchen Cheg ( <i>Executive Director</i> )										
		<b>Qualification</b>	:	<ul style="list-style-type: none"> <li>• Chartered Account Malaysia</li> <li>• Member of CPA Australia</li> </ul>										
<b>Experiences</b>	:	Mr. Wong Tchen Cheg has approximately twenty (20) years of professional experiences in providing financial due diligence review, enterprise risk management system, and internal control reviews.												
<b>No. of resources</b>	:	The outsourced internal auditor assigned a group of four (4) personnel to perform internal audits for the Group.												
For FYE 2025, the GA's engagement team personnel affirmed to the ARMC that in relation to the Group, they were free from any relationships or conflicts of interest, which could impair their objectivity and independency.														

	The internal auditor performs their work by referring to a recognised framework, such as the International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors.	
<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 12.1

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 recognises the importance of keeping stakeholders and the wider investment community informed of all material business matters affecting the Group. This is achieved through the timely dissemination of information on the Group's performance and major developments via the following channels:-</p> <ul style="list-style-type: none"><li>• the Annual Report published on the Company's website and Bursa Securities' website;</li><li>• the convening of AGM and/or Extraordinary General Meetings; and</li><li>• the release of various disclosures and announcements, including quarterly financial results.</li></ul> <p>The Company's corporate website at <a href="http://www.isf.com.my">www.isf.com.my</a>, offers comprehensive corporate information about the Company and is accessible to the public. Additionally, the general meetings also serve as another key avenue for shareholders to engage with the Company where they may raise questions and concerns or seek clarifications on the Company's business and reports from the Company 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>	:	

**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 Company's forthcoming 1st AGM is scheduled to be held on 15 June 2026. The Notice of the 1st AGM, together with the Company's Annual Report 2025, will be issued to shareholders and advertised in a nationally circulated newspaper on 30 April 2026, which is at least twenty-eight (28) days before the date of the 1st AGM.</p> <p>The notice of the general meeting provides a detailed explanation for the resolutions proposed along with any background information and reports or recommendations that are relevant, where required and necessary, to enable shareholders to have sufficient time to consider the resolutions that will be discussed and to make informed decisions in exercising their voting rights.</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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Company was listed on the ACE Market of Bursa Securities on 28 January 2026 and will convene its 1st AGM as a public listed company on 15 June 2026. All Directors are fully committed to attending the 1st AGM and to engaging with shareholders in a personal, active, and constructive manner.</p> <p>General meetings provide an effective forum for communication between the Company and its shareholders. They enable the Board, key senior management, the Company Secretaries, and the External Auditors to engage directly with shareholders, share relevant information, and respond to questions on the Company's affairs.</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 13.3**

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>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>The Board will hold the forthcoming 1<sup>st</sup> AGM physically and the venue is easily accessible, ensuring convenience for the shareholders attending the meeting.</p> <p>Shareholders that are unable to attend the 1<sup>st</sup> AGM are encouraged to appoint the Chairperson or any person(s) as their proxy(ies) to attend, participate, speak and vote at the meetings on their behalf and represent them.</p>	
		<p>The Company will explore the use of technology to enable voting, including absentee voting and remote shareholder participation at general meetings in the future. Before implementing these measures, the Board will consider various factors and conditions: -</p> <ul style="list-style-type: none"> <li>• Affordability of the necessary technology and infrastructure;</li> <li>• Sufficient representation of shareholders residing in remote locations; and</li> <li>• The age profile of the shareholders.</li> </ul> <p>These considerations will ensure that any technology adoption aligns with the Company's resources and shareholder demographics.</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>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	Choose an item.	

**Intended Outcome**

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

**Practice 13.4**

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>As the Company was listed on 28 January 2026, the forthcoming AGM will mark the 1st AGM held by the Company after its Listing.</p> <p>The Chairperson recognises the significance of the 1st AGM as a pivotal opportunity for effective communication with shareholders and encourages constructive feedback.</p> <p>At the 1st AGM, active shareholder participation will be encouraged, providing an open platform for shareholders to pose questions about the Group. The Board, senior management, Company Secretaries, and External Auditors will be available during the meeting to address any inquiries from shareholders.</p> <p>This approach ensures transparency and fosters shareholder engagement, reflecting the Company's commitment to accountability and communication.</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>	:	Not applicable – only physical general meetings were conducted in the financial year	
<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 13.6**

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: As the forthcoming 1 <sup>st</sup> AGM will be the Company's first AGM, the Board will ensure that the minutes of the meeting are published on the Company's website at <a href="http://www.isf.com.my">www.isf.com.my</a> no later than thirty (30) business days after the 1 <sup>st</sup> AGM, following the Board's confirmation thereof.
<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>	:  

**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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