

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0218
COMPANY NAME : ACO GROUP BERHAD (“ACO” or the “Company”)
FINANCIAL YEAR : February 28, 2025

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors ("Board") is responsible for the overall performance and business affairs of the Company and its subsidiaries ("Group"). The Board provides necessary leadership including practicing a high level of good governance to ensure long-term success of the Group and the delivery of sustainable value of its stakeholders.</p> <p>The Board is guided by its Board Charter which outlines the duties and responsibilities of the Board, to provide guidance and clarity for the Board in overseeing the progression of strategic plans and overall performance of the Group while fulfilling its fiduciary duties and leadership functions.</p> <p>The Group Managing Director ("GMD"), Mr. Tan Yushan, is accountable for the day-to-day decisions on the management of financial, business and operational matters, including managing resources and risks in pursuing the corporate objectives of the Group. He is supported by the Executive Directors ("ED") and Key Senior Management ("KSM").</p> <p>The Board Charter clearly spells out the following principal roles and responsibilities of the Board in enhancing effectiveness in the pursuits of corporate goals and objectives:</p> <ul style="list-style-type: none">(a) review and adopt a strategic plan for the Group;(b) oversee the conduct of the Group's businesses to evaluate whether the businesses are being properly managed;(c) ensure that the Group's strategies promote sustainability;(d) identify principal business risks and ensure the implementation of appropriate systems to manage these risks;(e) succession planning including the implementation of

	<p>appropriate systems for recruitment, training and replacement of the KSM;</p> <p>(f) overseeing the development and implement an investors relations programme or shareholder communication policy for the Company;</p> <p>(g) review the adequacy and the integrity of the Group's internal control systems and management information;</p> <p>(h) determine the remuneration of Executive Directors and Non-Executive Directors of the Company; and</p> <p>(i) ensure that the Group adheres to high standards of ethics and corporate behaviour.</p> <p>The Board has delegated certain responsibilities to the Board Committees, such as the Audit and Risk Management Committee ("ARMC"), Remuneration Committee ("RC") and Nomination Committee ("NC"), which operate within clearly defined Terms of Reference ("TOR"). These Board Committees have the authority to examine specific issues and forward their recommendations to the Board.</p> <p>The Board Charter and TOR of the respective committees were reviewed by the Board during the financial year ended 28 February 2025 ("FYE2025") and are available for reference on the Company's website at https://www.acogroup.com.my/en/page/902/aco-group-holding-corporate-governance.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>Mr. Yap Koon Roy is appointed as the Chairman of the Board ("Chairman") and he assumes the position of Independent Non-Executive Chairman. The Chairman leads and manages the Board with a keen focus on governance and compliance. In turn, the Board monitors the functions of the Board Committees in accordance with their respective TOR, to ensure its own effectiveness.</p> <p>The role and responsibility of the Chairman is clearly stated in the Board Charter which is available for reference on the Company's website at https://www.acogroup.com.my/en/page/902/aco-group-holding-corporate-governance.</p> <p>The Chairman is responsible for:</p> <ul style="list-style-type: none">a) The leadership of the Board in ensuring the effectiveness of all aspects of its role;b) Ensuring the efficiency of the Board's functions, chairing the Board meetings and encouraging all Directors to play an active role in the Board activities;c) Taking the lead in setting the values and standards of the Company;d) Ensuring quality information is furnished to the Board members on a timely basis to facilitate decision-making;e) Ensuring accurate and timely information, in particular, about the performance of the Company, is furnished to the Board members;f) Chairing general meetings of shareholders and ensuring orderly conduct and proceedings of such meetings;g) Ensuring effective communication with shareholders and stakeholders; andh) Facilitating the contribution of Non-Executive Directors and ensuring constructive relations are maintained between Executive and Non-Executive Directors.
Explanation for departure	:	

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

Intended Outcome

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

Practice 1.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board is led by Mr. Yap Koon Roy as the Independent Non-Executive Chairman (“Chairman”) and Mr. Tan Yushan as the Group Managing Director (“GMD”).</p> <p>There is a clear separation between the Chairman’s role and the GMD’s role to ensure a division of responsibilities and a balance of control, power and authority.</p> <p>The Chairman leads and manages the Board with a keen focus on governance and compliance. In turn, the Board monitors the functions of the Board Committees in accordance with their respective TOR, to ensure its own effectiveness, while the GMD manages the businesses and operations of the Group and implements and develops the Board’s decisions, policies and strategies.</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

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'.

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the Board, Mr. Yap Koon Roy, is not a member of the ARMC, NC or RC of the Company.	
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

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by qualified Company Secretaries who are experienced pursuant to Section 235 of the Companies Act 2016:</p> <p>The Company Secretaries advise the Board on issues relating to compliance with laws, rules, procedures and regulations affecting the Company and the Group.</p> <p>The Company Secretaries or the representatives of the Company Secretaries attend and ensure that all Board and Board Committee meetings are properly convened, and all deliberations and decisions are properly minuted and kept. They are also responsible in ensuring that Board's policies and procedures are followed, and the applicable statutory and regulatory requirements are observed.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>Regular Board and Committee meetings are scheduled throughout the year to enable the Directors to plan ahead and fit the meetings into their own schedules. The Notice of Meetings of the Board and Board Committees, along with a full agenda, is circulated to all Directors in advance of each meeting via email. The relevant meeting papers are provided to the Board and its Committees at least five (5) calendar days prior to each meeting to allow reasonable time for the Directors to review the meeting papers and prepare for deliberation on the issues to be considered at the respective meetings.</p> <p>Minutes of the Meetings are circulated to the members in a timely manner to ensure the minutes accurately reflect the deliberations and decisions of the Board and/or its Committees. Thereafter, the minutes are confirmed and signed by the Chairman of the Board/Board Committees at the next sitting.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board Charter outlines the respective roles and responsibilities of the Board, Chairman, Board Committees, individual Directors, GMD as well as matters reserved for the Board, amongst others.</p> <p>The Board Charter is periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have impact on the corporate governance practices of the Company and the responsibilities of the Board in discharging its governance function.</p> <p>The Board Charter and TOR of the respective committees were reviewed by the Board during FYE2025 and are available for reference on the Company's website at https://www.acogroup.com.my/en/page/902/aco-group-holding-corporate-governance</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established a Code of Ethics and Conduct ("Code"), which is part of the Board Charter and is available on the Company's website, https://www.acogroup.com.my/en/page/902/aco-group-holding-corporate-governance.</p> <p>The Code aims to enhance corporate governance standards and promote ethical conduct among Directors and is to be upheld at all times.</p> <p>The Board Charter was reviewed during FYE2025 to ensure that it continues to remain relevant and appropriate.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied
Explanation on application of the practice	:	<p>A Whistleblowing Policy ("The Policy") was adopted by the Board with the intention to promote the highest standard of corporate governance and business integrity.</p> <p>The Policy provides an avenue for its employees to raise genuine concerns or report any misconduct, breach or suspected breach of any law or regulation, including business principles and the Group's policies and guidelines, in a safe and confidential manner.</p> <p>The Policy outlines the scope and procedures when a concern is raised, distinguishes a concern from a personal grievance and allows the whistle-blower the opportunity to raise a concern outside their management line and in confidence. The identity of the whistle-blower is kept confidential and protection is accorded to the whistleblower against any form of reprisal or retribution. Any concern raised will be investigated and subsequently reported to the Board of Directors, through the ARMC.</p> <p>The Policy was reviewed during FYE2025 and is available for reference on the Company's website at https://www.acogroup.com.my/en/page/902/aco-group-holding-corporate-governance.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>One of the principal responsibilities of the Board under its TOR is to review and adopt strategic initiatives of the Group. In monitoring the implementation of these strategic initiatives, the Board takes into consideration the following: -</p> <ul style="list-style-type: none">a) Ensure the strategic plans for the Group supports long term value creation and sustainability goals,b) Ensure the effective development and implementation of the Group's strategic plan, taking sustainability into account.c) Identify the principal business risks and implement appropriate systems and processes to manage these risks. <p>The Board also undertakes a regular review of the existing and emerging key business risks identified by the Management and ensures effective control measures are taken.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company engages openly with its internal and external stakeholders. The stakeholders are individuals or organisations who influence or are influenced by the Group's operations, such as our employees, investors, customers, suppliers and the government.</p> <p>Information on the Group's risks and how they managed the risk is presented in the Sustainability Report on pages 30 to 52 of the Annual Report.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	The Board has sufficient understanding and knowledge of sustainability issues that are relevant to the company and its business to discharge its role effectively. The Board ensures that the strategy of the company and the sustainability efforts are aligned. We are committed to reduce our impact on the environment by minimising our operational carbon footprint where possible. We actively promote the responsible use of resources and the importance of environmental protection among our employees and stakeholders. Information on the Group's risks management is presented in the Sustainability Report on pages 30 to 52 of the Annual Report.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company’s Board Charter and TOR outlines the duties and responsibilities of the Board in overseeing the progression of strategic plans and overall performance of the Group. The Board is supported by the GMD, ED, and the KSM.</p> <p>The evaluation of the board and the Management's performance addresses how these duties and responsibilities, including areas related to the company’s material sustainability risks and opportunities, have been discharged.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Applied
Explanation on adoption of the practice	:	The GMD oversees the strategic management and integration of sustainability considerations across the Company's operations, supported by a designated member of Key Senior Management who coordinates ESG initiatives.

Intended Outcome

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

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied.
Explanation on application of the practice	:	<p>The NC nominates and recommends candidates for appointment as Directors of the Company to the Board, considering the required mix, skills, knowledge, experience and other core competencies, expertise, professionalism, and integrity. The NC also assists the Board in its annual review of the Board's composition to ensure it comprises the required mix of skills, experience, and other qualities, including core competencies that non-executive directors should bring to the Board.</p> <p>Pursuant to Clause 76(3) of the Constitution of the Company, one-third of the Directors of the Company shall retire from office at the conclusion of the Annual General Meeting each year, with all Directors required to retire at least once in every 3 years but eligible for re-election. The schedule of retirement by rotation is determined by the NC, which also considers each Director's eligibility for re-election based on their tenure of service in accordance with the Board's 9-year policy, as stated in the Board Charter. As of 28 February 2025, all the Independent Non-Executive Directors have served for less than 9 years.</p> <p>The NC carries out an annual evaluation of the Directors' performance, contributions, independence, and ability to act in the best interests of the Company. The Directors' Fit and Proper Policy further serves as a guide to the NC in their review and assessment of new appointments and re-elections of Directors.</p> <p>Based on the evaluation results, the performance of the Directors standing for re-election at the sixth annual general meeting ("AGM") of the Company has been satisfactory. The Board has approved their proposed re-election, as recommended by the NC.</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

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

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Applied
Explanation on application of the practice	:	<p>The current Board of Directors consists of seven (7) members comprising:</p> <p>Three (3) Executive Directors; and Four (4) Independent Non-Executive Directors.</p> <p>The present composition of the Board complies with Rule 15.02 of the ACE Market Listing Requirements of Bursa Securities, which requires at least two (2) directors or one-third (1/3) of the Board, whichever is higher, to be independent directors, and with the Malaysian Code on Corporate Governance ("MCCG"), where at least half of the Board is comprised of independent directors.</p> <p>The Board considers its current size and composition appropriate for the scope and nature of the Group's business and operations, and for facilitating effective discussions and decision-making. No individual or group dominates the Board's decision-making. The Board maintains an appropriate balance of expertise, skills and attributes among the Directors.</p> <p>All the Directors of the Company do not hold more than five (5) directorships in listed issuers as required under Rule 15.06 of the ACE Market Listing Requirements of Bursa Securities. A brief profile of each Director is presented in the Directors' Profile section of the Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board Charter has set out the following policy to preserve the independence of the Independent Non-Executive Directors:</p> <p>The tenure of an Independent Non-Executive Director shall not exceed a cumulative term limit of nine (9) years. Upon completion of nine (9) years, an Independent Non-Executive Director may continue to serve on the Board as a Non-Independent Non-Executive Director.</p> <p>If the Board intends to retain an Independent Non-Executive Director beyond nine (9) years, the Board should provide justification and seek for shareholders' approval. If any of the Independent Non-Executive Director is to be retained after the twelfth (12) year, the Board shall seek for shareholders' approval through a two-tier voting process.</p> <p>Nevertheless, no independent director has served a cumulative term limit of nine (9) years as of the FYE2025.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.

Application	:	Not adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board is guided by the Fit and Proper Policy of the Company and the Terms of Reference of the NC. The NC will assess, evaluate, and recommend a new member to the Board after taking into consideration the following criteria:</p> <ul style="list-style-type: none">• Age, ethnicity, gender, skill and expertise, working experience, industry knowledge, educational qualification, integrity, competence and characteristics;• Willingness and ability to discharge effectively the duties as a director, including the number of directorships in other public listed companies currently held by the candidate;• Able to devote sufficient time and energy to the performance of his or her duties as a director.	
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 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Directors are appointed based on their skills, knowledge, experience, competency, character, and technical and financial expertise, with priority given to these criteria. Additionally, consideration is given to the overall composition of the Board to ensure balanced governance. Potential candidates for director positions are sourced from various channels, with recommendations from Board members also valued in the selection process.</p> <p>The NC ensures the evaluation and selection of new directors are guided by its Terms of Reference and the Fit and Proper Policy, and that the appointments are made on merit basis.</p> <p>In September 2024, Mr. Tan How Ching, who joined as a General Manager, was appointed as an Executive Director. His appointment process was guided by the established procedures for the appointment of directors.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied
Explanation on application of the practice	:	<p>The profiles of the Directors are published in the Company's Annual Report and website. These include their age, gender, tenure of service, directorships in other companies, working experience, any conflict of interest, history on conviction of any offences, as well as Board meeting attendance during the financial year. Their shareholdings in the Company are disclosed in the Analysis of shareholdings in the Annual Report.</p> <p>The NC is responsible for evaluating the eligibility of Directors standing for re-election. Upon a satisfactory outcome of the annual performance evaluation of the Directors, the NC recommended the re-election of the relevant Directors to the Board for shareholders' approval at the Annual General Meeting.</p> <p>A statement by the Board and NC being satisfied with the performance and effectiveness of the retiring director was included in the Explanatory Notes under the Notice of AGM for circulation to the shareholders.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 currently chaired by Puan Nor Syahirah Binti Abu Baker who is an Independent Non-Executive Director.	
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.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board acknowledges the importance to promote gender diversity and does not set a restriction on having female director(s) on the Board.</p> <p>No gender diversity policies, targets and measures have been set by the Company. It is the intention of the Board to provide equal opportunity to suitable candidates who have the necessary competency and experience to bring value to the Board and to the management of the Group.</p> <p>Nevertheless, the Board expresses its commitment to maintain a balanced diversity. As at the date of this Report, the Board has one (1) female Director that constitutes 14.3% female representation on the Board.</p> <p>Furthermore, we believe in the inherent strength of a diversified workforce and we value equal opportunity by ensuring non-bias treatment during recruitment process.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.10

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

Application	:	Departure										
Explanation on application of the practice	:											
Explanation for departure	:	<p>The Company does not have a gender diversity policy for the Board and senior management. However, the Board acknowledges the importance to promote gender diversity and does not set any such restrictions in its recruitment process and selection of suitable candidates to bring value to the Board and to the senior/top management of the Group.</p> <p>As disclosed in the Company's annual report, and as the date of this Report, the gender diversity of the Board and the senior/top management of the Group are as below:-</p> <table border="1"> <thead> <tr> <th></th> <th>Female</th> <th>Male</th> </tr> </thead> <tbody> <tr> <td>The Board</td> <td>14 %</td> <td>86%</td> </tr> <tr> <td>Senior/Top Management</td> <td>25%</td> <td>75%</td> </tr> </tbody> </table> <p>Despite the above, the Group's overall workforce is well-balanced, with 53% females and 47% males.</p>			Female	Male	The Board	14 %	86%	Senior/Top Management	25%	75%
	Female	Male										
The Board	14 %	86%										
Senior/Top Management	25%	75%										
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>												
Measure	:											
Timeframe	:											

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>		
Application	:	Applied
Explanation on application of the practice	:	<p>The evaluation exercise involves Directors completing questionnaires covering the assessment of the Board and Board Committee's performance, assessment of individual Directors (self and peer evaluation), assessment on mix of skills and experience of Board and assessment on independence.</p> <p>The annual evaluation in respect of FYE2025 was conducted, and the Directors' responses were collated by the Management. A summary of the results was presented to the Board for review, deliberation and further actions, if any, as deemed required.</p>
Explanation for departure	:	
	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The RC examines and recommends to the Board the remuneration packages of the Executive Directors and KSM, taking into consideration all relevant factors including skills, experience and responsibilities involved as well as linking rewards to the Group and individual performance. The performance of Executive Directors is measured by their contribution to both the Board and the Company. The remuneration of Executive Directors includes salary and emoluments, bonus and benefits-in-kind.</p> <p>For Non-Executive Directors, the level of remuneration reflects the experience and responsibilities undertaken by them. Non-Executive Directors are paid annual fees and meeting allowance for each meeting they have attended and they are also entitled to liability insurance coverage. The determination of the fees of the Non-Executive Directors is undertaken by the Board as a whole.</p> <p>All Directors shall abstain from deliberations and voting on their own remuneration. Directors who are shareholders shall abstain from voting at general meetings on the resolution concerning their remuneration. The Board is of the view that the current remuneration level suffices to attract, retain and motivate qualified Directors to serve on the Board.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The RC assists the Board in implementing policies and procedures on remuneration. These includes reviewing the proposed remuneration packages of the Executive Directors and KSM on an annual basis and making recommendations to the Board.</p> <p>The TOR of the RC was reviewed by the Board during the financial year and is available on the Company's website at https://www.acogroup.com.my/en/page/902/aco-group-holding-corporate-governance.</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

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The detailed disclosure on a named basis for the remuneration of individual Directors for FYE2025 are disclosed in the Corporate Governance Overview Statement of the Company's 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	Tang Pee Tee @ Tan Chang Kim	Executive Director	-	-	-	-	-	-	-	-	-	339	131	24	1	495
2	Tan Yushan	Executive Director	-	-	-	-	-	-	-	-	69	221	112	-	66	469
3	Tan How Ching	Executive Director	-	-	-	-	-	-	-	-	20	120	10	-	19	169
4	Syahirah Abu Baker	Independent Director	30	8	-	-	-	-	38	30	8	-	-	-	-	38
5	Yap Koon Roy	Independent Director	60	5	-	-	-	-	65	60	5	-	-	-	-	65
6	Teh Chee Ghee	Independent Director	60	8	-	-	-	-	68	60	8	-	-	-	-	68
7	Ng Kok Chiang	Independent Director	48	8	-	-	-	-	56	48	8	-	-	-	-	56
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

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

Practice 8.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board is of the opinion that disclosing the detailed remuneration of its KSM on a named basis would not be in the best interest of the Group due to confidentiality and sensitivity concerns. The current disclosure on an unnamed basis in the Corporate Governance Overview Statement of the Annual Report 2025 is adequate.</p> <p>In setting the remuneration packages for KSM, the Company keeps in mind the remuneration and employment conditions within the industry and in comparable companies. The level and structure of the KSM's remuneration is aligned with the Company's long-term interest and desire to attract, retain and motivate the right talents.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The ARMC is chaired by the Independent Non-Executive Director, Dr. Teh Chee Ghee. Meanwhile, the Chairman of the Board is Mr. Yap Koon Roy.</p> <p>As such, the Chairman of the ARMC is distinct from the Chairman of the Board.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The ARMC has incorporated in its TOR a requirement for a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC.</p> <p>As at to-date, the Company has not appointed any former audit partner as a member of the ARMC.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The ARMC applies best practices in assessing the external auditors to ensure their suitability, performance and independence.</p> <p>Based on the annual assessment conducted for FYE2025, which included the quality of audit review procedures and assessing the adequacy of the firm's expertise and resources to carry out the audit, the ARMC was satisfied with the performance of the external auditors.</p> <p>RSM (Malaysia) PLT had also confirmed to the ARMC their independence throughout the audit engagement for the financial year under review.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	As at the date of this report, the ARMC comprises of three (3) members, all of whom 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman and members of the ARMC comprises from various background as disclosed in the Directors' Profile section of the Annual Report. The Chairman of the ARMC, Dr. Teh Chee Ghee is an ex-Council Member of the Malaysian Institute of Certified Public Accountants ("MICPA"), a fellow member of the Association of Chartered Certified Accountants, a member of the Chartered Tax Institute of Malaysia and a member of the Malaysian Institute of Accountants.</p> <p>All members of the ARMC are financially literate and able to understand the Group's business and matters under the purview of the ARMC. In addition, all members of the ARMC have noted the provision in this Practice and will undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules in the new financial year.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges its overall responsibility in establishing a sound framework of risk management and internal control system which is fundamental for good corporate governance. The Board focuses on effective risk oversight which is critical in setting the tone and culture towards effective risk management and internal control.</p> <p>The ARMC assists the Board in discharging its roles and responsibilities to oversee the effectiveness and adequacy of the risk management and internal control system of the Group.</p> <p>Recognising the importance of risk management processes and practices, the Board has formalised a risk management and internal control framework to enable management to identify, evaluate, control, monitor and report to the Board the principal business risks faced by the Group on an ongoing basis, including remedial measures to be taken to address the risks.</p> <p>The Board is of the view that the Group's risk management and internal control system for the financial year under review, and up to the date of approval of this Report, is adequate and effective to safeguard the shareholders' investments and the Group's assets.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established a formalised risk management and internal control framework to safeguard shareholders' interests and ensure the long-term sustainability of the Group. The ARMC assists the Board in overseeing the adequacy and effectiveness of the Group's risk management and internal control systems. Risk management and internal control are embedded within the Group's overall management processes, covering financial, operational, and compliance-related risks to help the Group meet its business goals.</p> <p>The risk management process adopted by the Group is as follows:</p> <ul style="list-style-type: none">• Risk Identification: Identifying key risks and establishing risk profiles;• Risk Assessment: Assessing the likelihood of occurrence of these risks and their potential impact;• Control & Mitigation: Implementing action plans, including existing and new controls, to mitigate or resolve these risks;• Monitoring & Reporting: Reviewing the effectiveness of risk controls and reporting them to the Board. <p>Further details on the framework are set out in the Statement on Risk Management and Internal Control of the Company's Annual Report 2025.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	The ARMC, which comprises all Independent Non-Executive Directors, assists the Board in ensuring that the enterprise risk management framework and policies are consistently adopted throughout the group and is within the parameters established by the Board. The scope and function of the ARMC are also set out in the TOR, which is available at https://www.acogroup.com.my/en/page/902/aco-group-holding-corporate-governance .

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges the importance of the internal audit function and has outsourced it to GovernanceAdvisory.com Sdn Bhd ("GA") to ensure the Group's internal control systems are adequate and effective. Internal audit activities are carried out based on an annual internal audit plan approved by the ARMC.</p> <p>Through internal audits, risks are identified and adequacy of the internal controls is assessed. Areas for improvement were highlighted, and the implementation of recommendations is monitored. The results of the assessments are reported to the ARMC periodically. The ARMC is responsible for:</p> <ul style="list-style-type: none">• reviewing the internal audit reports and assessing the findings;• evaluating the adequacy and effectiveness of management's response to issues; and• reviewing follow-up reports and assessing the status of corrective actions within the agreed timeline.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 11.2

The board should disclose—

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The internal audit function is outsourced to GA, ensuring independence and freedom from any relationships or conflicts of interest that could impair objectivity. GA is a corporate member of the Institute of Internal Auditors Malaysia, and its team is made up of approximately ten (10) personnel, led by Executive Director Mr. Wong Tchen Cheg. Mr. Wong is a member of Malaysia Institute of Accountants (“MIA”) and CPA Australia. He has over 19 years of experience in internal control reviews, including, not limited to, enterprise risk management and financial due diligence.</p> <p>GA reports directly to the ARMC, providing independent assessments on the adequacy, efficiency and effectiveness of the Group’s risk management and internal control systems. This reporting structure ensures audit independence and objectivity, allowing for adequate consideration of audit recommendations and planned corrective actions. The Internal Audit staff is given full, free and unrestricted access to any or all operations, records, property and personnel within the Group.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of timely and transparent communication with shareholders, potential investors, and the general public.</p> <p>To ensure this, material announcements, such as the quarterly financial results are made through Bursa Malaysia Securities Berhad. The Company's corporate website also provides access to relevant information, updates, financial results and Bursa announcements. The website is regularly updated.</p> <p>The Annual General Meeting ("AGM") is the principal forum for dialogue and interaction with shareholders. The forthcoming AGM will be the sixth AGM of the Company. The Company will be holding its AGM on 23 July 2025.</p> <p>The contact information of the corporate communication team can be found on the Company's corporate website at https://www.acogroup.com.my/en/.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.2

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

Application	:	Not adopted	
Explanation on application of the practice	:		
Explanation for departure	:	The Company is not categorised as "Large Company" under the Malaysian Code of Corporate Governance and hence, the Company has not adopted the integrated reporting based on globally recognised framework.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company ensures that the Notice of the forthcoming AGM are sent out at least 28 days prior to the meeting.</p> <p>Notice of the Fifth AGM was served to the shareholders on 21 June 2024, at least 28 days before the AGM which was held on 25 July 2024.</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 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company's Fifth AGM was conducted fully virtual through online meeting platform via the TIH Online website at https://tiah.online on 25 July 2024. All Directors, including the Chairmen of the respective committees, were in attendance via video conferencing to engage with the shareholders. Besides the directors, the Management and the External Auditors were also present to address shareholders' queries submitted in real time through the Question & Answers platform via the Remote Participation and Voting facilities.</p> <p>To further encourage engagement, shareholders were invited to submit questions in advance via TIH website at https://tiah.online in relation to the agenda for the fifth AGM. This was communicated in the Notice of AGM. These questions were read out and addressed first, followed by those posted during the meeting.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Applied
Explanation on application of the practice	:	<p>The Fifth AGM of the Company was held virtually on 25 July 2024. The Company leveraged technology to enhance shareholder engagement and facilitate shareholders' participation in the AGM.</p> <p>Shareholders who were unable to attend the in person were allowed to vote in absentia or by proxy. Proxies had to be appointed by the shareholder or their authorised attorney or representative and submitted to the Company's registered office at least twenty-four (24) hours before the poll.</p> <p>For the Fifth AGM, the Company appointed Tricor Investor & Issuing House Services Sdn Bhd ("TIIH") as Poll Administrator to conduct the polling process, with Asia Securities Sdn Bhd as scrutineers to verify the poll results. The Company also sought confirmation from TIIH regarding their cyber hygiene practices to ensure data privacy and security against cyber threats.</p> <p>As announced by Securities Commission Malaysia and Bursa Malaysia, all general meetings from 1 March 2025 are to be either hybrid or physical. In response to this, the Company's upcoming Sixth AGM will be a physical meeting. Where the use of technology is required or beneficial in facilitating the engagement with shareholders, the Company will apply it appropriately, particularly in matters concerning data privacy and security.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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.

Application	:	Applied
Explanation on application of the practice	:	<p>During the Fifth AGM held on 25 July 2024, shareholders were provided with sufficient opportunity to pose questions during the meeting. They could submit questions prior to the AGM via TIH website at https://tiah.online or in real time during the Q&A session. During the commencement of the AGM, while addressing the polling and administrative matters, the Chairman again briefed all in attendance of the opportunity to post questions during the Q&A session.</p> <p>To ensure effective communication with the shareholders, questions posed by the shareholders were displayed on the screen for the meeting participants' reference as these were read out.</p> <p>The Company did not limit or restrict the scope of questions asked, may it be financial or non-financial in nature. Questions which were not answered due to time constraint were addressed by the Company via e-mail after the AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Fifth AGM of the Company was conducted in full virtual format via the Remote Participation and Voting ("RPV") facilities provided by TIH at https://tiah.online. This online platform was secured exclusively for members with approved registration for the RPV.</p> <p>TIH has in place the required infrastructure and tools to support a smooth broadcast of the meeting. The Moderator Link, an application introduced by TIH, assisted in registering and tracking questions posed by the shareholders during the AGM. Questions were displayed on screen when they were read out, allowing the Q&A session to progress smoothly and in an orderly manner. The Board, together with the KSM and external auditors were in attendance to engage with the shareholders.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
Application	:	Applied
Explanation on application of the practice	:	The minutes of Fifth Annual General Meeting ("AGM") was published on the Company's website https://www.acogroup.com.my/en/page/951304/aco-group-holding-shareholdermeeting no later than 30 business days after the general meeting.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES 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.

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