

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5232
COMPANY NAME : LEON FUAT BERHAD
FINANCIAL YEAR : December 31, 2025

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors of the Company ("Board") remains committed to fulfilling its fiduciary responsibilities and collectively responsible for the proper stewardship of the Group. This includes maximising shareholders' value and safeguarding the stakeholders' interests. The Board also strive to achieve sustainable long-term financial performance and sustainability objectives, taking into consideration environmental, social and governance ("ESG") risks and opportunities.</p> <p>The Board is responsible to promoting and ensuring effective execution of good corporate governance practices and a corporate culture of ethical conduct.</p> <p>The Board oversees the conduct of the Group's business and operations, reviewing the strategic plan of the Group, ensuring the Group has in place effective risk management and internal control framework to identify and assess the risks faced by the Group and implementing appropriate internal controls to manage and mitigate the risks, ensuring effective investor relations programme for effective communication with shareholders and stakeholders, establishing and reviewing the Group's succession planning for key roles and positions to ensure leadership continuity; and ensuring that sustainability and ESG considerations are embedded into the Group's operations and business strategies, among other key governance and oversight responsibilities.</p> <p>Board Committees are established to assist the Board in carrying out its oversight functions and execution of its duties. The Audit Committee, Nomination Committee and Remuneration Committee are established and authorised by the Board to oversee, deal with and deliberate on specific matters delegated to them within their respective terms of reference, which are available on the Company's website.</p>

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

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman represents the Board to the shareholders. The Chairman leads the Board in establishing and monitoring good corporate governance practices in the Group and ensuring the integrity and effectiveness of the governance processes of the Board, amongst others.</p> <p>The key roles and responsibilities of the Chairman include:</p> <ul style="list-style-type: none"> a) Managing Board communications and Board effectiveness and effective supervision over Management; b) Creating conditions for good decision making during Board and shareholders' meetings; c) Ensuring Board proceedings are in compliance with good conduct and best practices; d) Maintaining good contact and effective relationships with external parties, investing public, regulatory agencies and trade associations and other stakeholders; e) Ensuring that quality information to facilitate decision-making is delivered to the Board on a timely manner. <p>The Chairman ensures that appropriate board processes and procedures are in place and there is active participation by Board members during Board meetings, with robust and open discussions on matters tabled for review; and the comments and opinions of the Board members are taken into consideration prior to the Board making an informed decision.</p> <p>For matters involving the interests of Directors or persons connected to them, the Director concerned is required to declare his interests to the Board accordingly and abstain from deliberating and voting at the Board meeting as appropriate.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure	:		
Timeframe	:		

Intended Outcome

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 roles and responsibilities of the Chairman and Group Managing Director are separated to ensure balance of power and authority within the Board.</p> <p>The Independent Non-Executive Chairman of the Board is responsible for leading and ensuring the effective overall functioning of the Board in the discharge of the Board's duties and responsibilities.</p> <p>On the other hand, the key responsibilities of the Group Managing Director include ensuring the day-to-day business affairs and operations of the Group are effectively managed and the Group's strategies and corporate policies are effectively implemented and monitored.</p> <p>The roles and responsibilities of the Chairman and Group Managing Director are clearly outlined in the Board Charter.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	The Chairman of the Board is not a member of the Audit, Nomination or Remuneration Committees.
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company Secretaries are members of the prescribed professional bodies and are holders of valid practicing certificate to legally act in that capacity pursuant to the Companies Act 2016.</p> <p>The Company Secretary plays a key role in ensuring the effectiveness of Board procedures and compliance with applicable laws and requirements. The Company Secretary works closely with the Chairman and the Board to facilitate the smooth and effective functioning of the Board, while also serving in an advisory capacity by keeping the Board informed of legal and statutory requirements, as well as development in corporate governance practices and guidelines applicable to the Group. The Company Secretaries ensures that the discussions and deliberations at Board and Board Committees' meetings are recorded and documented. The Board have full and unrestricted access to the Company Secretaries</p> <p>The Company Secretaries undertake continuous professional development to enhance their skills and knowledge for effective performance of their role.</p> <p>The Board is satisfied with the performance and supports rendered by the Company Secretaries to the Board in discharging its functions including legal duties and responsibilities.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board meets regularly with at least five (5) meetings convening during a financial year, with additional meetings convened as and when necessary for review of urgent matters.</p> <p>Meetings materials including notice and agenda, management reports and discussion papers are circulated to the Board and Board Committees members at least seven (7) days in advance to allow sufficient time for the Directors to review and peruse the meetings papers and be prepared for discussion prior to making informed decision.</p> <p>The relevant papers or reports from Management to be tabled at the meetings address the matters and issues on which the Board or Board Committee will deliberate as set out in the meetings agendas.</p> <p>The Chairman of the Committees will report to the Board key issues discussed at each Committee's meeting. Discussions and deliberations at Board and Board Committees' meetings as well as matters resolved are recorded and the relevant minutes are circulated to the Board and Committees for review and comments within reasonable time and confirmed as a correct record of the proceedings by the Board and relevant Committees at following meetings. The approved minutes of the meetings shall be conclusive evidence of the proceedings and resolutions passed at the meetings thereat, and enter in the Minutes Books accordingly. The confirmed minutes of the Committees' meetings shall be tabled to the Board for notation.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board Charter sets out the principles and guidelines in the performance of the Board's functions, which include formal schedule of matters specifically reserved for its decision, delegation and/or approval covering issues relating to strategy and management, financial reporting, board appointment and remuneration, corporate governance, regulatory and compliance, major transactions and internal controls, amongst others.</p> <p>The Board Charter outlines the roles, functions, responsibilities, structure and procedures of the Board including but not limited to:</p> <ul style="list-style-type: none"> • Board responsibilities; • Board membership guidelines; • Board structures and procedures; • Relationship of the Board with management; • Directors' remuneration; and • Relationship of the Board with shareholders. <p>The Board Charter is reviewed by the Board annually or when necessary to ensure it remains current, adequate and consistent with the Board's objectives and responsibilities and comply with applicable rules and regulations and governance practices. The Board Charter is published on the Company's website.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

The 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 Code of Ethics and Conduct ("Code") outlines the ethical principles and standard of good conduct expected of the Directors, Management and employees of the Group. They are required to observe and comply with the spirit of the Code and uphold the ethical standards and behaviour and operate in a manner consistent with the Group's values and all applicable laws, rules and regulations governing the Group, besides conduct themselves with integrity, professionalism and act in an ethical manner and at all time faithfully and diligently carry out their duties to the best of their ability.</p> <p>The Code was formulated at the Group level and covers the following key areas:</p> <ol style="list-style-type: none">1. Ethical Standards and Duties2. Compliance with Laws and Policies3. Conflict of Interest4. Misuse of Position and Information5. Confidentiality of Information6. Company Properties7. Safety and Health8. Non-Discrimination and Equal Opportunity9. Reporting of Suspected Violations <p>A group-wide Anti-Bribery and Corruption Policy and Procedures has been implemented based on the principles of the Anti-Bribery Management System (MS ISO 37001) and guided by the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of Malaysian Anti-Corruption Commission Act.</p> <p>In its effort to consistently and continuously fight against bribery, the Group is committed to:</p> <ul style="list-style-type: none">• Take a ZERO TOLERANCE approach to bribery;

	<ul style="list-style-type: none"> • Provide and maintain an anti-bribery working environment for all employees and stakeholders; • Comply to anti-bribery laws that are applicable to the organization; • Satisfy all requirements established in the Anti-Bribery Management System; • Provide avenue and encourage raising concerns regarding bribery conduct; • Continually improve the Anti-Bribery Management System; • Assign and authorize the Anti-Bribery Compliance Function to carry out their duties independently; and • Impose appropriate action against any act of not complying with the Anti Bribery Policy. <p>The Code and Anti-Bribery and Corruption Policy are published on the Company's website and reviewed by the Board regularly to remain consistent with the Board's objectives and responsibilities.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Whistle-Blowing Policy provides a platform where individual including employees and stakeholders can raise genuine concerns at the earliest opportunity and in an appropriate way regarding malpractice, wrongdoing or risk that may affect the Company and Group.</p> <p>The Policy supports the Group's values and ensures that the employees or other concerned parties are protected and can raise genuine concerns without fear of reprisals through a transparent and confidential process. The Policy covers possible improprieties in matters relating to but not limited to financial, fraud, corruption, bribery or blackmail, criminal offences, breach of legal or regulatory obligations, sexual harassment as well as concealment of any or combination of any of the above.</p> <p>In line with the adoption of the Anti-Bribery and Corruption Policy, the Group has identified at each subsidiary level the chief in the anti-bribery compliance functions to act as the contact point for bribery-related issues or any grievances in the workplace for effectiveness.</p> <p>The Whistle-Blowing Policy shall be reviewed and/or updated when deemed necessary to ensure effectiveness and consistent with current circumstances and the Company's policies. The Whistle-Blowing Policy is published on the Company's website.</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>Sustainability is an integral part of Leon Fuat's business operations and long-term viability in the steel industry. The ongoing efforts of Leon Fuat Group to enhance processes fuel its endeavour to improve operational efficiency and resource management. The Group continues to prioritise the integration of sustainability practices and values into its operations, business strategies and organisational goals.</p> <p>The Group's sustainability strategy is built on four (4) focus areas that define its approach to managing sustainability priorities, guiding stakeholder engagement and ensuring alignment with the United Nations Sustainable Development Goals ("UN SDGs").</p> <p>The Group continues to uphold seven (7) SDGs that align with its core initiatives and represent areas where the Group's actions can have the most impact, i.e.</p> <p><u>UN SDGs and Targets</u></p> <ul style="list-style-type: none">3.8 Achieve universal health coverage7.2 Increase global percentage of renewable energy7.3 Double the improvement in energy efficiency8.8 Protect labour rights and promote safe working environments9.4 Upgrade infrastructures for sustainability12.4 Responsible management of chemical and waste12.7 Promote sustainable procurement practices13.1 Strengthen resilience and adaptive capacity to climate-related disasters16.5 Substantially reduce corruption and bribery <p>The ESG performance of the Group encompasses three (3) principal subsidiaries - Leon Fuat Metal Sdn Bhd, Leon Fuat Hardware Sdn Bhd and Supreme Steelmakers Sdn Bhd.</p>

	<p>The Group’s materiality reassessment identified thirteen (13) key sustainability matters as set out below, with the top five being <i>Operational Excellence, Product Quality and Customer Satisfaction, Occupational Safety and Health, Corporate Governance and Anti-Corruption, and Labour Practices and Standards.</i></p> <p><u>Material Sustainability Matters of Leon Fuat Group</u></p> <ol style="list-style-type: none"> 1. Economic Prosperity <ul style="list-style-type: none"> • Operational Excellence • Responsible Procurement 2. Responsible Governance <ul style="list-style-type: none"> • Corporate Governance and Anti-Corruption • Data Privacy and Cybersecurity 3. Environmental Stewardship <ul style="list-style-type: none"> • Climate Change and Energy • Effluent and Waste Management • Water Efficiency 4. Social Responsibility <ul style="list-style-type: none"> • Occupational Safety and Health • Noise Management • Labour Practices and Standards • Diversity and Inclusiveness • Product Quality and Customer Satisfaction • Corporate Social Responsibility <p>The Sustainability Policy guides the integration of responsible business practices throughout its steel trading and processing operations. It supports decision-making, strengthens regulatory compliance and promotes transparency and accountability in managing the sustainability priorities.</p> <p>The Group’s Sustainability Report provide further details on its approaches, initiatives and performances to forging a sustainable future.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

Intended Outcome

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 Group engages stakeholders in order to understand their concerns and align with their expectations. The Group utilise various platforms to gain valuable insights into their priorities, ensuring that their feedback informs the decision-making and contributes to the shared values and mutual progress.</p> <p>The Company maintains open and transparent communication with seven (7) stakeholder groups below through diverse engagement methods and channels:</p> <ul style="list-style-type: none">• Investors/ Shareholders The ownership, voting rights, financial contributions and expectations of investors and shareholders shape the Group's direction, enabling us to deliver high-quality steel products.• Government/ Regulatory Authorities The government and regulatory authorities play an important role in providing regulatory frameworks and legal authorisations necessary for operations.• Management The management is responsible for guiding and overseeing our organisational operations to achieve strategic goals and ensure sustained success.• Customers Customers drive Leon Fuat's success by engaging in transactions and providing valuable feedback that informs product and service enhancements.• Employees Employees serve as the valuable human capital of Leon Fuat, actively contributing their skills and efforts to propel the Group towards our objectives and overall success.• Vendors / Suppliers Vendors and suppliers collaborate with Leon Fuat to provide essential goods and services, ensuring a reliable supply chain and contributing to the overall efficiency of operations.

	<ul style="list-style-type: none"> • Community The community plays a reciprocal role, shaping and being shaped by the Group's actions, contributions and engagement, thereby fostering mutually beneficial relationships. <p>Further details on the strengthening of stakeholders' relationships including the approaches are set out in the Sustainability Report in the Annual Report 2025 of the Company.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 4.3

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

Application	: Applied
Explanation on application of the practice	<p>Leon Fuat’s sustainability governance structure remains essential in meeting evolving sustainability expectations. It strengthens oversight of sustainability priorities, performance evaluation and the responsible management of resources, risks and opportunities.</p> <p>The Group’s Sustainability Governance Structure involved:</p> <p><u>Board of Directors (“the Board”)</u></p> <ul style="list-style-type: none"> • Provides strategic oversight of the Group’s sustainability policies, strategies and performance, including climate related risks and opportunities and their integration into the Group’s overall strategy • Conducts an annual review of sustainability policies, initiatives and performance progress • Endorses Leon Fuat’s sustainability strategy as proposed by the Sustainability Committee and the contents of the annual sustainability report <p><u>Sustainability Committee (“SC”)</u> [The Group Executive Director leads the Committee, which comprises the Chief Financial Officer and other managerial levels]</p> <ul style="list-style-type: none"> • Proposes sustainability strategies, initiatives and targets that align with the Group’s business strategy for Board approval • Oversees the implementation of sustainability initiatives and monitors the Group’s sustainability performance, reporting progress to the Board • Conducts assessments of climate-related risks and opportunities, providing strategic recommendations for the Board’s consideration • Reviews and provides recommendations on the Group’s proposed sustainability report <p><u>Sustainability Task Force Committee (“STFC”)</u> [Consists of representatives from relevant departments within subsidiaries (LF Metal, LF Hardware and Supreme Steelmakers)]</p> <ul style="list-style-type: none"> • Integrates sustainability strategies and initiatives into the Group’s day-to-day operations

	<ul style="list-style-type: none"> Assists the SC in formulating recommendations for Leon Fuat's sustainability Consists of representatives from report <p>The Group's risk management framework is aligned with the principles of international risk management standards. It covers risk identification, assessment, mitigation, monitoring and reporting. Potential climate-related risks are identified by considering events that could significantly affect the Group's operations or financial performance. Findings from the risk assessment process are integrated into strategic decision making and operational planning to support informed business decisions and ensure climate-related considerations are reflected across the Group.</p> <p>In FY2025, the Board members attended the Mandatory Accreditation Programme (MAP II), which covers sustainability and broader environmental, social and governance topics, enhancing the Board's capacity to oversee sustainability-related risks and opportunities.</p> <p>Further details on the sustainability governance and strategies are provided in the Sustainability Report in the Annual Report 2025 of the Company.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The annual assessment of the performance of the Board Included the review of the effectiveness of the overall sustainability governance framework in reporting the ESG risks, sustainability targets and initiatives, including the support provided for sustainability governance and efforts.</p> <p>The Board was satisfied that the Sustainability Governance Structure has been effective in meeting the evolving sustainability expectations.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Nomination Committee, in the discharge of its function has performed the in-house annual evaluation on the Board, Board Committees and individual Directors for the financial year 2025. The Nomination Committee also reviewed the structure, size and composition of the Board and Board Committees with due regard of the appropriate size, mix of skills, experience, core competencies, tenure as well as attendance records of the Directors on their time commitment.</p> <p>Based on the results of the assessment, the Nomination Committee was satisfied that the Board and its Committees have been functioning effectively in discharging their respective duties and responsibilities and no changes in Board and Board Committees structure are required.</p> <p>For the Directors retiring and eligible for re-election at the AGM, the Board through the Nomination Committee has considered the retiring Directors' eligibility for re-election in accordance with the Directors' Fit and Proper Policy, on character and integrity, experience and competence, time and commitment to effectively discharge their role as Directors.</p> <p>The Board and Nomination Committee have also noted the Directors' Self and Peer Performance Evaluation encompassing fit and proper assessment, contribution and performance of the Directors and satisfied that the Directors including the retiring Directors have effectively discharge their duties.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board comprises nine (9) members with five (5) Executive Directors, three (3) Independent Non-Executive Directors including the Chairman of the Board and a Non-Independent Non-Executive Director.	
		The presence of the Independent Non-Executive Directors continues to ensure that views, consideration and judgement exercised by the Board in board deliberations and decision making remains objective, unbiased and independent whilst assuring the interest of other parties such as minority shareholders are adequately protected as well as being accorded with due consideration.	
		The Board considers the existing composition of Independent Directors are adequate in providing necessary check and balance to the Board's decision-making process. Notwithstanding, the Company may consider appointing additional independent director(s) to the Board when suitable candidate(s) are identified.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 5.3

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	:	None of the Independent Directors of the Company are serving more than 9 years.	
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 seeks to ensure that its membership reflects diversity covering a combination of skills, experience, race, age, gender, educational and professional background and other relevant personal attributes in providing a range of perspectives and insights to enable it to discharge its duties and responsibilities effectively.</p> <p>In accordance with the Directors' Fit and Proper Policy, the Board ensures that the Directors appointed to the Board are persons with the required character, integrity, experience, competence and time to effectively discharge their responsibilities and duties and to contribute towards the proper governance of the Group.</p> <p>The Nomination Committee is delegated with the responsibility of identifying, assessing and considering before recommending to the Board, suitably qualified candidates for appointment as Directors, after taking into consideration the criteria set out in the Directors' Fit and Proper Policy and having regard to among others, the diversity objective of the Company.</p> <p>In terms of time commitment, the Directors are expected to devote sufficient time to carry out their duties and responsibilities as Directors of the Company and are required to notify the Chairman before accepting any new directorships in other listed companies.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>For the identification of suitably qualified candidate for appointment to the Board, the Board may consider the recommendations from the existing board members, Management and/ or major shareholders as well as from independent sources.</p> <p>The Board is responsible for determining the appropriate size of the Board and the appointment of new director is a matter for consideration and decision by the Board, upon the assessment by the Nomination Committee of the eligibility, fitness and suitability of the proposed new director, with reference to the adopted Directors' fit and proper criteria, besides the required mix of skills, expertise and experience.</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>For individuals standing for election as directors of the Company (excluding directors standing for a re-election), the Board ensures shareholders are provided with the necessary information in order to make an informed decision on the proposed appointment.</p> <p>For the Directors standing for re-election, the profiles of the Directors including their age, gender, tenure of service, directorships in other companies, working experience and any conflict of interest as well as their shareholdings in the Company, if any, are set out in Directors' Profile section in the 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	:	

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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Chairman of the Nomination Committee, Mr. Chan Kee Loin is a Non-Independent Non-Executive Director. The Board and Nomination Committee agrees that despite being a Non-Independent Non-Executive Director, Mr. Chan continues to provide balanced and objective view in Board deliberations.	
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Currently, the only female Director on the Board comprises less than 30% of the Board.	
		The Board took cognisance and will consider increase the female board representation where necessary.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 5.10

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

Application	:	Applied	
Explanation on application of the practice	:	<p>As provided in the Group's Directors' Fit and Proper Policy, the Board in its selection criteria for board membership would ensure that besides the skills, experience, educational and professional background, diversity including race, age and gender will also be sought and considered to provide a range of perspectives and insights for effective discharge of the Board's function.</p> <p>The Board will also seek to develop diversity in the workforce within the Group including senior roles held by female executives when vacancies arise and suitable candidates are identified.</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 form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The Board through the Nomination Committee has performed an in-house annual assessment of the Board, Board Committees and individual Directors (including the independence of the Independent Non-Executive Directors) for the financial year ended 31 December 2025, facilitated by the Company Secretary.</p> <p>The evaluation typically involves the completion of the Board and Board Committees Evaluation Form, covering four (4) key areas of board governance: Board Structure, Board Operations, Board Roles and Responsibilities and Board Committees. For Director's Self and Peer Evaluation, the assessment criteria include contribution to interaction, quality of input and understanding of role as a member of the Board.</p> <p>Having reviewed the results of the evaluation, the Nomination Committee and Board were satisfied that for the financial year under review, the performance of the Board, Board Committees and individual Directors have been satisfactory, with effective performance of respective functions and discharge of roles and responsibilities.</p> <p>On its assessment of the independence of the Independent Non-Executive Directors, the Nomination Committee was satisfied with the level of independence demonstrated and noted that all the Independent Non-Executive Directors have fulfilled the prescribed independence criteria under the Listing Requirements and there were no issues of independence in the Board.</p>
Explanation for departure	:

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

Measure :		
Timeframe :		

Intended Outcome

The 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 oversight function for reviewing and overseeing the policy and framework of the remuneration packages of the Board, the Executive Directors and Key Management Personnel is carried out by the Remuneration Committee.</p> <p>The Board is cognisance and is mindful that fair remuneration is important to attract, retain and motivate Directors and Key Management Personnel to effectively manage the Company and achieve its business objectives.</p> <p>The Group's Remuneration Policy aims to create a balanced, competitive and performance-driven compensation system aligned with the business strategy, focusing on sustainable results and considering shareholders' interests and industry trend.</p> <p>The remuneration offered to executive Board members and Key Management Personnel involves a balance between fixed and variable pay reflecting performance objectives of the Company and its goals, which consist of salary, bonus, benefits in kind and other emoluments. Payment of performance-related bonus to Executive Directors and/or Key Management Personnel is linked to the Group and individual company's performance measured against the achievement of pre-determined targets which are closely aligned to the Company's objectives.</p> <p>The remuneration of Non-Executive Directors is determined with regards to the Company's needs to maintain suitably and experienced Board members in accordance with competitive pressures in the market place.</p>

	The Remuneration Policy is published on the Company's website and is periodically reviewed by the Board to ensure its effectiveness.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	The Remuneration Committee of the Board has been tasked to review and recommend to the Board the remuneration of the Board members and Key Management Personnel, guided by the Group's Remuneration Policy and Procedures. The Terms of Reference of the Remuneration Committee is published on the Company's website.
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	:	Details of the remuneration of individual Directors of the Company for the financial year ended 31 December 2025 are set out below.

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	Dato' Lim Cheng Poh	Independent Director	140.00	5.00	-	-	-	-	145.00	140.00	5.00	-	-	-	-	145.00
2	Dato' Sri Ooi Bin Keong	Executive Director	120.00	-	-	-	-	-	120.00	330.00	-	864.00	72.00	42.04	113.21	1,421.25
3	Ooi Seng Khong	Executive Director	120.00	-	-	-	-	-	120.00	190.00	-	864.00	180.00	37.87	126.17	1,398.04
4	Ooi Kong Tiong	Executive Director	120.00	-	-	-	-	-	120.00	330.00	-	691.20	57.60	33.88	90.75	1,203.43
5	Ooi Shang How	Executive Director	120.00	-	-	-	-	-	120.00	190.00	-	604.80	126.00	39.12	89.09	1,049.01
6	Ng Kok Teong	Executive Director	120.00	-	-	-	-	-	120.00	260.00	-	604.80	50.40	30.54	80.01	1,025.75
7	Chan Kee Loin	Non-Executive Non-Independent Director	120.00	5.00	-	-	-	-	125.00	120.00	5.00	-	-	-	-	125.00
8	Thien Shy Wei	Independent Director	120.00	5.00	-	-	-	-	125.00	120.00	5.00	-	-	-	-	125.00
9	Wong Sze Yan	Independent Director	120.00	5.00	-	-	-	-	125.00	120.00	5.00	-	-	-	-	125.00
		Executive Director														
	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
	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
	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
	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
	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	:	The remuneration of the top five (5) Key Management Personnel of the Company is not disclosed on a named basis.	
		For confidentiality and security reasons, the remuneration of the top five (5) Key Management Personnel of the Company is disclosed on an aggregate basis in bands of RM50,000.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the Audit Committee and the Chairman of the Board are held by different individual, both being Independent Non-Executive Directors with clear division of roles and responsibilities.	
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 Audit Committee's Policy on External and Internal Auditors provides guidelines and procedures for the Audit Committee to review, assess and monitor the performance, suitability, objectivity and independence for appointment and/or re-appointment of the External Auditors of the Company.</p> <p>The Policy provides that former partners of the external audit firm of the Company will not be offered employment by the Company or any of its related corporations or being appointed as a member of the Audit Committee within three (3) years of undertaking any role on the audit. This applies to all partners of the audit firm and/or the affiliate firm including those providing advisory services, tax consulting etc..</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 Audit Committee's Policy on External and Internal Auditors outlines the guidelines and procedures for the Audit Committee to review and assess the performance, suitability, objectivity and independence for appointment and/or re-appointment of the External Auditors of the Company.</p> <p>During the financial year under review, evaluation on the performance of Baker Tilly Monteiro Heng PLT, the External Auditors of the Company was carried out by the Audit Committee via the adopted evaluation questionnaire which covers the assessment of the independency and objectivity, competency, audit scope and planning by the External Auditors in the review of the financial statements of the Group.</p> <p>The External Auditors have also provided written assurance to confirm that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. The Audit Committee has also reviewed and noted that the independence of the External Auditors will not be impaired by the provision of non-audit services to the Company.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied	
Explanation on application of the practice	:	The members of the Audit Committee possess the necessary skills and qualifications to discharge their duties effectively. The members are financially literate and are able to understand matters under the purview of the Audit Committee including the financial reporting process. The Board ensures that all members of the Board including Audit Committee undertake continuous training programme to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules as well as the latest development of the industry and/or changes to applicable regulatory requirements.	
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 has established an effective risk management and internal control framework, determined the risk tolerance and identified, assessed and monitored key business risks to safeguard the shareholders’ investment and the Group’s assets. The Board is supported by the Audit Committee, comprising entirely of non-executive Directors with a majority of independent directors, to oversee the Group’s risk management framework and policies. Collectively, the Board and Audit Committee are responsible for ensuring a sound risk management and internal control framework is maintained in the Group.</p> <p>The Group’s risk management framework aligns with international risk management principles. It includes risk identification, assessment, mitigation, monitoring and reporting.</p> <p>At Management level, the management team from the operating subsidiaries formed the Risk Management Working Group (“RMWG”). The RMWG is chaired by an Executive Director, and its members comprise managerial and senior staff from each operating subsidiary.</p> <p>The RMWG held four (4) meetings during the financial year on 11 February 2025, 13 May 2025, 12 August 2025 and 13 November 2025 respectively to review and discuss the identified key risks and the effectiveness and adequacy of risk mitigation actions. Members of the Audit Committee and Internal Auditors were also invited to observe the discussions and share their views and insight on the issues discussed.</p> <p>Details of the Group’s risk management and internal control is presented in the Statement on Risk Management and Internal Control set out in the Annual Report 2025 of the Company.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.2

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>In its role of overseeing the effectiveness of the systems of risk management and internal control, the Board, together with the Audit Committee and Risk Management Working Group, diligently and comprehensively applies and uses the following processes and review mechanisms during the financial year to derive its comfort on the adequacy and effectiveness of these systems:</p> <ul style="list-style-type: none">• The quarterly Board's review of the unaudited financial results and management reports comprising key financial data, significant financial and operational matters, and detailed analysis of the performance of the Group;• The subsidiaries' financial performance is reviewed against the budget. The Chief Financial Officer highlights and explains variances to the Board. The Board ensures and closely follows up on business and operational issues, as well as on the action plans designed and implemented by Management. The budget will be revised as appropriate when the business environment evolves;• The Audit Committee's review of the audit findings in consultation with the External and Internal Auditors and clarifications from Management on the corrective or improvement actions, including the deadlines for implementation thereof; and• The review of the risk assessment report of the key subsidiaries, the new and emerging risks including but not limited to market and competition risks, credit risks and interest rate risk, and the adequacy of the current or enhance control measures to contain the risks within the respective subsidiaries' quantitative and qualitative risk appetite. <p>The Group is navigating climate-related transition risks arising from potential carbon pricing mechanisms, including a carbon tax, which may increase operating costs due to steel production's emissions-intensive nature. The Group will need to monitor greenhouse gas emissions and energy consumption, undertake energy-efficiency and process-improvement initiatives, and assess potential financial impacts through</p>

	<p>scenario analysis during this transition period. Climate-related risks will be integrated into the Group’s enterprise risk management framework and will be reviewed periodically by Management and the Board.</p> <p>Other key features and control frameworks and procedures implemented by Management across the Group include:</p> <ul style="list-style-type: none"> (i) Board and Management’s limit of authority; (ii) Management organisation structure defining the level of accountability and authority of the Management functions in all subsidiaries; (iii) Group Finance and Accounts Department overseeing the subsidiaries’ quarterly management reporting, financial performance and cash flow; (iv) Annual group budget detailing the estimation of revenue and expenditures of the Group, which is used as a benchmark to monitor performance; (v) Periodic subsidiary management review discussions and updates between the Directors and Management staff; (vi) Insurance coverage to protect the Group’s assets and interests and minimise its liability; (vii) Implementation of the ISO Quality Management System and standard operating procedures in the key subsidiaries; and (viii) Establishment of the Anti-Corruption and Anti-Bribery Policy and whistleblowing reporting channel to facilitate stakeholders’ grievances, if any. 	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The internal audit function of the Company is outsourced to IA Essential Sdn Bhd (“IAE”), a professional independent consulting firm providing governance, risk and compliance advisory services.</p> <p>In addition to providing internal audit services, IAE facilitates the Group's risk assessment functions. There is no other engagement between the Group and the Internal Auditors, which may create a conflict of interest or impair their objectivity and independence.</p> <p>During the financial year, the Internal Auditors have, based on the approved internal audit plan, performed internal audit reviews covering governance, operational controls, compliance, and sustainability across the selected subsidiaries, including anti-bribery and corruption preventive measures and key business functions. The Internal Auditors have also developed and presented the annual audit plan, conducted risk assessments including sustainability-related risks and opportunities, and performed follow-up and quarterly RRPT reviews, with key observations, action plans, and improvements reported to the Audit Committee.</p> <p>Further details of the internal audit function of the Group and its activities for the financial year under review are set out in the Statement of Risk Management and Internal Control in the 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	:	

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 of the Group is outsourced to IAE. IAE is responsible for conducting internal control reviews and facilitating management in risk assessment. The Internal Auditors do not have other engagements with the Group that may impair their objectivity and independence.</p> <p>Mr. Chong Kian Soon, the Chief Executive Officer of IAE is a member of Certified Public Accountant of the Malaysian Institute of Certified Public Accountants (MICPA), the Chartered Accountants Australia and New Zealand (CAANZ), a Chartered Member of the Institute of Internal Auditors Malaysia (CMIIA) and Certified QAR Assessor of the Institute of Internal Auditors (“IIA”). Mr Chong is assisted by his audit team, comprising Managers and Executives who are accounting graduates and with audit experience.</p> <p>The Internal Auditors carried out their internal audit work with reference to the principles of the International Professional Practice Framework (“IPPF”) of the IIA. These principles include the conduct of the audit planning, execution, documentation, communication of findings and consultation with key stakeholders.</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 Investors Relation Policy of the Company outlines the principles for communication with shareholders of the Company as well as other stakeholders and the engagement and dissemination of information of the Group to investors, analysts and other stakeholders through its website, announcements released to Bursa Securities and press/media releases.</p> <p>The general meeting of shareholders remains the principal forum for direct dialogue and interaction with the shareholders of the Company and provide an avenue for shareholders to raise concerns and engage directly with members of the Board and senior management on the business performance, operations and future strategic direction of the Group and provide opportunities for the shareholders to communicate their feedback to the Board and Management.</p> <p>The Company's website also provides a platform where the public can access to the Company's information including its products and services, share prices, financial results and prospect, media releases as well as the Company's announcements made to Bursa Securities, amongst others.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	The notice convening the 18 th AGM was given to the shareholders on 30 April 2025, more than 28 days prior to the AGM held on 13 June 2025.	
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	:	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 13.2

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 Board views the general meeting of shareholders as an important platform for direct dialogue and interaction between the Company and its shareholders, as this provides an effective way for Management and Board to reach out to the shareholders and stakeholders and to communicate the Group's business performance, plans and strategies, allowing the shareholders to voice concerns, seek clarification and gain insights into the strategic direction of the Group as well as the proposed resolutions tabled at the general meeting.</p> <p>All the Directors including the Chairman of the Board and Board Committees and members of senior management attended the 18th AGM of the Company.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The 18th AGM of the Company was held physically at Tropicana Golf & Country Resort, Petaling Jaya, Selangor on 13 June 2025.</p> <p>The Board agrees that the holding of physical general meeting in Klang Valley at strategic location easily accessible by its shareholders allows physical attendance and support effective direct dialogue between the Board and senior management with the shareholders of the Company, with interactive participation by the shareholders present at the Meeting. Questions posted by the shareholders were responded accordingly.</p> <p>Shareholders who are unable to attend are entitled to appoint proxy/proxies to speak and vote on their behalf at the general meetings.</p> <p>While the Board is cognisance of leveraging technology for the conduct of general meetings, the Board and Management will consider the pros and cons of conducting physical or virtual shareholders meeting with remote shareholders' participation and voting including voting in absentia, having due regard to the potential challenges due to, inter-alia, lack of technological understanding on the shareholders part besides to have in place the required infrastructure and equipment to support a smooth broadcast of the general meeting and effective participation by the shareholders.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application :	Applied
Explanation on application of the practice :	<p>The Executive Director and Chief Financial Officer presented to the shareholders an overview of the industry outlook and strategies, financial performance of the Group and highlights together with the key operational updates of the business of the Group including the progress of the pipe manufacturing activities at the 18th AGM of the Company.</p> <p>Questions related to the business operations and financial performance of the Group and the proposed resolutions tabled for shareholders' approval at the AGM were posted by the shareholders during the meetings together with their comments which were handled appropriately and responded to by the Chairman and Executive Director.</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.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>		
Application	:	Not applicable – only physical general meetings were conducted in the financial year
Explanation on application of the practice	:	
Explanation for departure	:	Please provide an explanation for the departure.
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
Application	:	Applied
Explanation on application of the practice	:	The Minutes of the 18 th AGM was uploaded to the Company's website no later than 30 business days after the AGM.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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

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

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