

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7498
COMPANY NAME : Ralco Corporation
FINANCIAL YEAR : December 31, 2024

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES 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.

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 undertakes the following key responsibilities in meeting its goals and objectives of the Company:</p> <ul style="list-style-type: none">• Reviewing the code of conduct of the Company and implementing appropriate internal systems to support, promote and ensure its compliance;• Reviewing and adopting a strategic plan for the Company;• Regularly evaluating economic, environmental, social and governance issues and any other relevant external matters that may influence or affect the development of the business or the interests of the shareholders in ensuring that the Company's strategies promote sustainability;• Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed;• Reviewing, ratifying and monitoring systems of risk management and internal control and ethical and legal compliance. This includes establishing sound risk management framework, reviewing procedures to identify the main risks associated with the Company's businesses and the implementation of appropriate systems to manage these risks;• Selecting, appointing and evaluating from time to time the performance of, and planning succession of the Managing Director under the guidance of the Nominating Committee;• Reviewing the procedures for appointment of senior management and ensuring that succession planning of the senior management is in place;• Establishing an internal audit function which reports directly to the Audit Committee;• Promoting effective communication and proactive engagements with shareholders and other stakeholders;• Ensuring there is a sound framework of reporting on internal controls and regulatory compliance;

	<ul style="list-style-type: none"> • Ensuring its members have access to information, advice and appropriate continuing education programmes; • Reviewing and approving formal and transparent remuneration policies and procedures to attract and retain directors; • Ensuring there is appropriate corporate disclosure policies procedures; • Encouraging the usage of information technology in communicating with stakeholders; • Taking reasonable steps in encouraging the shareholders' participation and voting by poll at general meetings of the Company; • Promoting effective communication and proactive engagements with shareholders; and • Undertaking an assessment of the independent directors annually. <p>The roles and responsibilities of the Board are set out in the Board Charter and the Board Committees' roles and responsibilities in discharging its functions which had been delegated by the Board are set out in each respective Board Committees' Terms of Reference.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the Board during the financial year is Dato' Chong Kim Fatt, an Independent Non-Executive Director. The Chairman of the Board is responsible for instilling good corporate governance practices, leadership and effectiveness of the Board. The Board, under the leadership of the Chairman, works effectively and performs responsibilities with all key and appropriate issues discussed in a timely manner. All Directors are encouraged to share their views on the Company's affairs and issues, and they are entitled to have access to the senior management who will respond to queries raised by them.</p> <p>The key responsibilities of the Chairman are set out below:-</p> <ul style="list-style-type: none">• The Chairman shall ensure the smooth functioning of the Board;• The Chairman shall act as facilitator at meetings of the Board to ensure that no directors, whether executive or non-executive, dominate discussion, that appropriate discussion takes place and that relevant opinion among directors is forthcoming;• The Chairman shall inculcate positive culture in the Board;• The Chairman shall ensure that all relevant issues are on agenda for Board meeting and all directors are able to participate fully in the Board's activities;• The Chairman shall ensure that the Board debates strategic and critical issues; and• The Chairman shall ensure that the Board receives the necessary information on a timely basis from management. <p>During FYE 2024, the Board had met with the Managing Director and management to discuss and receive update on the operational issues of the Group and the Board actively provides timely recommendations to improve and set strategies that will further enhance the business objectives 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

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 Chairman during the financial year was Dato' Chong Kim Fatt, an Independent Non-Executive Director. The role of Managing Director is assumed by Mr. Tan Heng Ta.</p> <p>The distinct and separate roles and responsibilities of the Chairman and Managing Director are provided in Paragraph 3.0 of the Board Charter, which is available on the Company's website at www.ralco.net.</p> <p>As the Chairman led the Board to ensure the effectiveness of the Board. Meanwhile, the Managing Director assumes the executive responsibility for focusing on the business operations, organisational effectiveness and day-to-day management of the Group, and actively reports, clarifies and communicates matters to the Board. The Managing Director also acts as a conduit between the Independent Directors and the Management to align management actions with the Board decisions and strategies.</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	:	To maintain checks and balances and ensure an objective review of issues raised by the Board Committees, the Board Chairman is not a member of the Audit Committee, Nomination Committee or Remuneration Committee.
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 roles and responsibilities of the Company Secretaries include, but are not limited to the following:</p> <ul style="list-style-type: none">• Managing all Board and Committee meeting procedures, attending and recording minutes of all Board and Committee Meetings and facilitating Board communications;• Guiding the Board on its roles and responsibilities;• Guiding the Board on corporate disclosures and compliance with Listing Requirements, Companies Act 2016 and other regulations;• Managing processes pertaining to the shareholders' meeting; and• Monitoring corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations. <p>The Company Secretaries attend trainings to keep themselves abreast with the regulatory changes.</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>Directors are supplied with relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters for decisions to be made on an informed basis for an effective discharge of the Board's responsibilities.</p> <p>Procedures have been established for timely dissemination of meeting papers prior to the Board's and Board Committees' meetings, to facilitate decision making and to deal with matters arising from such meetings. Senior Management of the Group and external advisers are invited to attend Board meetings to provide additional insights and professional views, advice and explanations on specific items on the meeting agenda.</p> <p>Deliberations and decisions made at Board's and Board Committees' meetings are well documented in the minutes, including matters where Directors abstained from voting or deliberation. The minutes are then circulated to the Directors and Board Committees for perusal. The minutes are confirmed as correct record by the Board and Board Committees at the following meeting.</p> <p>The Directors have full access to the advice and services of the Company Secretaries, the senior management staff, the external auditors and other independent professionals at all times in discharging their 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

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 is guided by its Board Charter which clearly sets out the Board's roles and responsibilities in discharging its fiduciary and leadership functions. The Board Charter, which is periodically reviewed by the Board to be in line with regulatory changes, if necessary.</p> <p>The Board Charter was last reviewed and approved by the Board on 21 February 2025 and is available on the Company's website at www.ralco.net.</p> <p>To enhance accountability, the Board has established clear functions reserved for the Board, Board Committees, individual Directors and Managing Director.</p> <p>The Charter provides guidance for Directors and Management regarding the responsibilities of the Board, Board Chairman, Board Committees, Executive Directors and Non-Executive Directors as well as the requirements of Directors in carrying out their stewardship role and in discharging their duties towards the Company as well as boardroom activities.</p> <p>The Board Charter would be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have impact on the discharge of the Board's 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	:		
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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 Group is committed to achieving and monitoring high standards pertaining to behaviour at work. The Board strictly adhered to the Company's Code of Conduct & Principles ("Code of Conduct") in discharging its oversight role effectively. The Code of Conduct defines rules of conduct and include, among others:-</p> <ul style="list-style-type: none">• Compliance with rules and regulations;• Managing conflicts of interest;• Confidentiality;• Business integrity and anti-corruption;• Social responsibility and community involvement; and• Corporate governance. <p>The Code of Conduct is available on the Company's website at www.ralco.net.</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 Group has adopted a whistle-blowing policy to enable employees and any other persons to report instances of unethical behaviour, actual or suspected fraud and/or abuse within the Company.</p> <p>This policy has been disseminated throughout the organisation and is available at www.ralco.net.</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>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 amongst others the development and implementation of company strategies, business plans, major plans of action and risk management.</p> <p>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 and will include a review of the performance of the Board and senior management in addressing the company's material sustainability risks and opportunities.</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 recognises the importance of prompt and timely dissemination of information to shareholders and investors in order for these stakeholders to be able to make informed investment decisions.</p> <p>In addition, the Company is committed to ensure its communication with the other shareholders and stakeholders is transparent, timely and with quality disclosures. Hence, the Company actively engages all its stakeholders through the following platforms:-</p> <p>(a) Corporate Disclosure Policy and Procedures</p> <p>Corporate disclosure and information are important for the investors and the shareholders. The Board is advised by the Management, Company Secretaries, External Auditors and Internal Auditors on the contents and timely disclosure requirements of the Main Market Listing Requirements ("MMLR") on the financial results and various announcements.</p> <p>The Group leverages on its corporate website to disseminate and add depth to its communication with the public. News alert feature on the website is available for public community.</p> <p>(b) Leverage on information technology for effective dissemination of information</p> <p>The Company's website provides all relevant corporate information, and it is accessible by the public. The Company's website includes the share price information, all announcements made by the Company, Annual Reports, financial results, etc.</p> <p>The Company has identified Mr. Damien Lim Yat Seng as the Senior Independent Non-Executive Director to whom concerns of shareholders and other stakeholders may be conveyed. He can be contacted at dlimys@gmail.com.</p> <p>In addition to the above, the shareholders and other stakeholders and the investors can make inquiries about investor relations matters with designated management personnel directly</p>

	responsible for investor relations, via dedicated e-mail addresses available on the corporate 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

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>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.</p> <p>The Board has identified Mr. Tan Heng Ta as the designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.</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 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 Performance evaluations for the board and senior management was amended to include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.</p> <p>The Board reviews and evaluates its own performance and the performance of its committees on an annual basis. The Board evaluation comprises a Board Assessment, an Individual Director Assessment and an Assessment of Independence of Independent Directors. The Assessment is based on specific criteria as stated in the performance assessment form adopted by the Nomination Committee.</p> <p>The results of the assessment would form the basis of the Nomination Committee's recommendation to the Board for the re-election of Directors at the forthcoming AGM.</p> <p>To further discharge its duties, the Nomination Committee has assessed the performance of the Chief Financial Officer through performance evaluation form completed by the Board during the 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

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

Practice 4.5- Step Up

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

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

Application	:	Adopted
Explanation on adoption of the practice	:	The Board has identified Mr. Tan Heng Ta as the designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

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 ("NC") carries out the evaluation process annually for assessing the effectiveness of the Board Committees and the Board as a whole and for assessing the performance and contribution of each individual Director.</p> <p>The evaluation was conducted using the evaluation Forms which set out the assessment criteria as approved by the Board which covered areas such as the Board Structure, Board operations, roles and responsibilities of the Board, the Board Committee and the Chairman's role and responsibilities. For Individual Assessment, the assessment criteria include business planning contribution integrity, and board participation.</p> <p>The NC will complete a questionnaire regarding the effectiveness of the Board as a whole, the Board Committee and performance of individual directors. The assessment and comments by the NC will then be summarised and discussed at the NC meeting and reported to the Board for action.</p> <p>Based on the above assessment in 2024, the NC is generally satisfied with the level of performance and contribution demonstrated by all the Directors and their ability to bring independent and objective judgement to the board deliberations.</p> <p>From the results of the assessment, the NC concluded that each Director has the requisite competence to serve on the Board and had sufficiently demonstrated their commitment to the Group in terms of time and participation during the year under review and recommended to the Board the re-election of retiring Directors at the Company's forthcoming Annual General Meeting.</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>As present, the Board membership stands at six (6) members comprising of two (2) Non-Independent Non-Executive Directors, three (3) are Independent Non-Executive Directors and one (1) Managing Director.</p> <p>This composition fulfils the requirements mandated by the MMLR of Bursa Malaysia Securities Berhad ("Bursa Securities") under Paragraph 15.02 (1), which stipulates that at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, are Independent Directors and at least one (1) director is woman.</p> <p>The current composition of the Board provides an effective Board with a mix of industry specific knowledge, broad based business and commercial experience together with independent judgement on matters of strategy, operations, resources and business conduct. The combination of professionals with diverse and varied backgrounds, wealth of experience and expertise in legal, finance and corporate affairs also enables the Board to discharge its responsibilities effectively and efficiently. Profile of the Directors are as set out in the Annual Report 2024.</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 Company had adopted the recommendation of the Malaysian Code on Corporate Governance 2021 ("MCCG") that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve the Board subject to the Director's redesignation as a Non-Independent Director. For a Director retained as an Independent Director after the nine (9) years, the Board shall seek shareholders' approval annually through a two-tier voting process.</p> <p>The justifications for retention would be provided in the notes to the notice of the Annual General Meeting for shareholders' consideration. The recommendation by the Board for retaining such Independent Directors would be based on their independence, incumbent knowledge and contributions to the strategic objectives and stewardship of the Company.</p> <p>The Board assesses the independence of its Independent Directors through a self-assessment of independence of Independent Directors on an annual basis under the annual Board evaluation process. The assessment of independence is based on the criteria prescribed under the MMLR.</p> <p>Currently, there is no Independent Director who served beyond nine (9) years.</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 5.4 - 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 candidate for appointment to the Board is selected after taking into consideration the mix of skills, experience and independence that will be relevant for the effective discharge of the Board's responsibilities with due regard for diversity in age, gender, ethnicity and cultural background. The Nomination Committee is delegated to review and assess the appointment of new board member based on the criteria of "Fit and Proper Standard" as set out in the Company's Board Charter and Fit & Proper Policy.</p> <p>The Board encourages a dynamic and diverse composition by nurturing suitable and potential candidates equipped with competency, skills, experience, character, time commitment, integrity and other qualities in meeting the future needs of the Company. Notwithstanding the challenges in achieving the appropriate level of diversity on the Board, the Board is continuing to work towards addressing this as and when vacancies arise and suitable candidates are identified. The Company's prime responsibility in new appointments is always to select the best candidates available.</p> <p>Mr. Damien Lim Yat Seng was appointed as an Independent Non-Executive Director of the Board on 21 March 2024. The NC has assessed his experience, skills and competencies. The NC was satisfied that he has fulfilled the criteria required by the Board and has recommended his appointment to the Board. The Board is of the view that the current Board members and Key Senior Management of the Group consist of members from a wide range of discipline and background, providing an in-depth and diversity in experience to the Group's operation.</p> <p>Subsequently, Mr. Damien Lim Yat Seng re-designated as the Senior Independent Non-Executive Director on 7 April 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 5.6

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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board appoints the members through a formal and transparent selection process where various criteria's such as age, skills, experience, expertise and etc are taken into considerations. New candidates will be considered and evaluated by the Nomination Committee before recommending to the Board for appointment. The Board adopts a criteria of "Fit and Proper Standard" as set out in the Company's Board Charter and Fit & Proper Policy when selecting and appointing new Directors onto the Board.</p> <p>On 21 March 2024, Mr. Damien Lim Yat Seng was appointed as an Independent Non-Executive Director of the Board following to the resignation of the Independent Non-Executive Director, Mr. Ang Seng Wong. The selection of candidate was based on the recommendation from existing board members. Nonetheless, the NC had assessed his experience, skills and competencies, and the Board was satisfied that Mr. Damien Lim is a suitable candidate as she has met the criteria required by the Board for the said role.</p> <p>Moving forward, the NC and the Board will consider utilises independent sources such as the Institute of Corporate Directors Malaysia to identify suitably qualified candidates for Director appointments should any vacancies arise.</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

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 Directors which include their age, gender, qualifications, directorships in other companies, working experiences, information on conflict of interest as well as their shareholdings in the Company are set out in the Annual Report 2024.</p> <p>During the financial year ended 31 December 2024, the NC has carried out an annual assessment to assess the effectiveness of the Board and Board Committees internally based on the agreed evaluation process, criteria to be used and the evaluation method. Peer Evaluation was also conducted between the Directors to assess the performance of each individual Director during the financial year.</p> <p>Based on the satisfactory evaluation of the respective Director's performance and contributions to the Board, the NC then recommended to the Board the re-election of the retiring Directors at the forthcoming Annual General Meeting ("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

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	:	<p>The Nomination Committee is chaired by Mr. Damien Lim Yat Seng, an Independent Non-Executive Director, who was de-designated as Senior Independent Non-Executive Director on 7 April 2025.</p> <p>The Terms of Reference of the Nomination Committee is available on the Company’s website at www.ralco.net.</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 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>Presently, the Board comprises six (6) Directors, with one (1) being a woman Director, representing 16% of the total Board members.</p> <p>The Board acknowledges the benefits of having a diverse Board, including gender diversity, and believe that a diverse Board will enhance differences in opinion, perspective and insights. The Board ensures there is at least one-woman Director on the Board.</p> <p>The Board is of the view that, while promoting gender diversity is important, selection criteria based on merit and contributions that a candidate will bring to the Board remain our priority.</p> <p>The Board will endeavour to source for suitable female candidates to fulfil the target of 30% female representatives.</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

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>The Board acknowledges the value of diversity in both the Board and Senior Management, as well as throughout the workforce. Diversity fosters broader perspective and contributes to the sustainable growth and development of the Group.</p> <p>The Company adopts a policy of non-discrimination on the basis of race, age, religion and gender. Thus, the Board encourages a dynamic and diverse composition by nurturing suitable and potential candidates equipped with competency, skills, experience, character, time commitment, integrity and other qualities in meeting the future needs 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

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 NC carries out the evaluation process annually for assessing the effectiveness of the Board Committees and the Board as a whole and for assessing the contribution of each individual Director. The evaluation was conducted using the evaluation Forms which had set out the assessment criteria as approved by the Board which covered areas such as the Board Structure, Board operations, roles and responsibilities of the Board, the Board Committee and the Chairman's role and responsibilities. For Individual Assessment, the assessment criteria include business planning contribution integrity, and board participation.</p> <p>The NC will complete a questionnaire regarding the effectiveness of the Board as a whole, the Board Committee and performance of individual directors. The assessment and comments by the NC will then be summarised and discussed at the NC meeting and reported to the Board for action.</p> <p>For the financial year ended 31 December 2024, the NC has assessed the effectiveness of the Board as a whole, the Committees of the Board, contribution of each Director and Independence of Independent Directors.</p> <p>From the results of the assessment, the NC concluded that each Director has the requisite competence to serve on the Board and had sufficiently demonstrated their commitment to the Group in terms of time and participation during the year under review and recommended to the Board the re-election of retiring Directors at the Company's forthcoming 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

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Remuneration Policy and Procedures for Directors and Senior Management was adopted on 16 June 2020 and published on the Company's website.</p> <p>The Remuneration Committee ("RC") takes into account the corporate objectives and the performance of the Company to determine the remuneration of the Directors. In determining the remuneration of the Senior Management, the RC takes into account the role, skills, competency and the performance of the individual.</p> <p>The Directors' fees and benefits are recommended for shareholders' approval after review by the RC and the Board 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

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 Board has established a RC, which comprised exclusively of Non-Executive Directors.</p> <p>The RC reviews and recommends to the Board annually the Board's remuneration package and/or reward payments that reflect their respective contributions for the year, and which depend on the performance of the Group, achievement of the goals and/or quantified organisational targets as well as strategic initiatives set at the beginning of each year.</p> <p>The RC has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the Company's website at www.ralco.net.</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	:	A detailed disclosure on named basis for the remuneration of each director of the Company and the Group is as follows:-

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Tan Heng Ta	Executive Director	30,000	2,500	1,250,000	Input info here	Input info here	240,923	1,523,423	30,000	2,500	1,250,000	Input info here	Input info here	240,923	1,525,623
2	Dato' Chong Kim Fatt	Independent Director	30,000	1,500	Input info here	Input info here	Input info here	Input info here	31,500	30,000	1,500	Input info here	Input info here	Input info here	Input info here	31,500
3	Heng Chee Wei	Non-Executive Non-Independent Director	30,000	2,500	Input info here	Input info here	Input info here	Input info here	32,500	30,000	2,500	Input info here	Input info here	Input info here	Input info here	32,500
4	Law Doung Chin	Non-Executive Non-Independent Director	30,000	2,500	Input info here	Input info here	Input info here	Input info here	32,500	30,000	2,500	Input info here	Input info here	Input info here	Input info here	32,500
5	Lau Wai Ching	Independent Director	30,000	2,500	Input info here	Input info here	Input info here	Input info here	32,500	30,000	2,500	Input info here	Input info here	Input info here	Input info here	32,500
6	Damien Lim Yat Seng	Independent Director	23,387	2,000	Input info here	Input info here	Input info here	Input info here	25,387	23,387	2,000	Input info here	Input info here	Input info here	Input info here	25,387
7	Ang Seng Wong	Independent Director	6694	500	Input info here	Input info here	Input info here	Input info here	7,194	6,694	500	Input info here	Input info here	Input info here	Input info here	7,194
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

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 Key Senior Management plays a crucial role in implementing the strategic plans and conducting business activities for the Group and development of the Group.</p> <p>Due to the competitive nature of the business in which the Group operates, the Board is of the view that the disclosing detail remuneration on a named basis for Key Senior Management is not to the Group's advantages. Such disclosure of specific remuneration information may give rise to recruitment and talent retention issues, as well as concerns regarding confidentiality and sensitivity. Further, it is the Group's policy and practice to implement confidentiality of all employees' remuneration.</p> <p>The Board believes that the non-disclosure of Key Senior Management remuneration will not prejudice the interest of the shareholders.</p> <p>The Key Senior Management's remuneration have been disclosed on a no named basis in bands of RM50,000 under the Corporate Governance Overview Statement in the Company's Annual Report 2024.</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.

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 AC, Mr. Damien Lim Yat Seng is not the Chairman of the Board.	
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>Currently, no former key audit partner of the external auditors of the Company is appointed as a member of the AC and the Company does not consider a former audit partner as a candidate for appointment to the AC in the near future.</p> <p>The AC will observe the requirement in the event that a former key audit partner is appointed to the Board and will amend the Terms of Reference of the AC accordingly.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Audit Committee ("AC") is responsible for assessing the capabilities and independence of the external auditors ("EA") and also recommending to the Board on the EA's appointment, re-appointment or termination of their services to the Company.</p> <p>The AC received assurance from the EA confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out in the By-Laws (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants.</p> <p>The AC had assessed and was satisfied with the independence, quality of service and adequacy of resources of the EA in relation to the audit services provided for the financial year ended 31 December 2024. The AC then recommended to the Board for the re-appointment of Messrs. TGS TW PLT as the EA of the Company for the financial year ending 31 December 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

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	:	<p>All members of the Audit Committee (“AC”) are financially literate and assist the Board to oversee and scrutinise the process and quality of the financial reporting and ensure accuracy, adequacy and completeness of the report, as well as in compliance with the relevant accounting standards.</p> <p>All members of the AC undertake continuous professional development and have annual discussion with the external auditors on financial reporting development to keep themselves abreast of the relevant developments in accounting and auditing standards, practices and rules.</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

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 is responsible for the Group's risk management framework and system of internal control and for reviewing their adequacy and integrity.</p> <p>The Board affirms its overall responsibility for establishing an effective risk management and internal control framework, which is in place and has been enhanced over the years.</p> <p>The Board exercises its oversight of risk management and internal control through the Audit and Risk Management Committees which meet on a quarterly basis. The Audit and Risk Management Committees are supported by an adequately resourced internal audit function.</p> <p>Key policies and frameworks, such as the Risk Management Framework, are reviewed by the Audit and Risk Management Committees before they are approved by the Board for application.</p> <p>For detailed information, please refer to the Statement on Risk Management and Internal Control in the Annual Report 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

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 Statement on Risk Management and Internal Control as included in the Annual Report 2024 provides the overview of the risk management and internal control framework adopted by the Company during the financial year ended 31 December 2024 are as follows:</p> <p>The Board is committed to maintaining a strong internal control structure for the proper conduct of the Group's business operations and of the view that the system of internal controls in place for the year under review and up to the date of issuance of the financial statements. The key elements include:-</p> <ul style="list-style-type: none">• the responsibilities of the Committees to the Board and Management are clearly defined in the organisation structure to ensure the effective discharge of their roles and responsibilities towards the Group.• the limits of authority of the Group has been defined and adopted accordingly.• policies and controls for the Group's operations have been defined and adopted. Procedures are also in place to ensure that assets are subject to proper physical controls.• monthly and periodic reporting structures have been put in place on key financial and operational statistics.• the Group's internal audit function is an on-going review process of the operations to access the effectiveness of the control environment and to highlight significant risks as well as areas requiring improvements. Follow-up reviews on previous audit reports are carried out to ensure that appropriate actions are taken to address internal control weaknesses highlighted.• the Audit Committee meets regularly to review the adequacy, integrity and effectiveness of the system of internal control of the Group, discuss risk management issues and ensures that weaknesses controls highlighted are appropriately addressed by the management.
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 10.3 - 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 Risk Management Committee is established by the Board and currently comprises three (3) Members of whom two (2) Members are Independent Directors. All Members are Non-Executive Directors. The Chair of the Risk Management Committee is appointed by the Board and is not the Chair of the Board.

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 Company has established an in-house Internal Audit function, which is independent from the day-to-day operations of the Group. The Internal Audit function is headed by Mr. Ken Teh Kian Lang who is a member of the Malaysian Institute of Accountants and an associate member of the Institute of Internal Auditors. He reports directly to the Audit Committee on the adequacy and operating effectiveness of the Group’s system of internal controls from the perspectives of governance, risks and controls.</p> <p>The scope and extent of work carried out by the Internal Audit function are set out in the Statement on Risk Management and Internal Control Statement in the Company’s Annual Report 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

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	:	None of the Internal Audit personnel has any relationships or conflict of interest that could impair his objectivity and independence in conducting the Internal Audit functions. The Internal Audit function is managed by Mr. Ken Teh Kian Lang, who is a member of the Malaysian Institute of Accountants and an associate member of the Institute of Internal Auditors. The Internal Audit function is independent of the activities it audits and carries out its work in accordance with the International Professional Practices Framework of the Institute of Internal Auditors.	
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 being transparent and accountable to the Company's stakeholders and acknowledges the continuous communication between the Company and stakeholders would facilitate mutual understanding of each other's objectives and expectations.</p> <p>As such, the Board consistently ensure the supply of clear, comprehensive and timely information to their stakeholders via various disclosures and announcements including quarterly and annual financial results, which provides investors with up-to-date financial information of the Group. All these announcements and other information about the Company is available on the Company's website at www.ralco.net which shareholders, investors and public may access.</p> <p>In addition, the Directors engage with shareholders at least once a year during the Annual General Meeting to understand their needs and seek their feedback.</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	:	<p>In 2024, the Notice of 29th Annual General Meeting (“AGM”) was sent to the shareholders at least 28 days before the AGM, in advance of the 21- day requirement under the Company’s Constitution, the Companies Act, 2016 and the Listing Requirements, which provides additional time to the shareholders to allow them to make the necessary arrangements to attend and participate in person or by their corporate representatives or proxies, and to consider the resolutions that will be discussed and decided at the AGM.</p> <p>The Notice for the forthcoming 30th AGM is to be given to the shareholders at least 28 days before the meeting.</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	:	All Directors attended the fully virtual 29th AGM to engage directly with the shareholders.	
		The attendance of the directors at the AGM presented opportunities for the shareholders to engage with each director and allowed the shareholders to raise questions and their concerns directly to the Directors.	
		Directors will ensure their attendance at the forthcoming AGM.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate—

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The 29th AGM of the Company was held as a fully virtual meeting conducted entirely through live streaming and remote voting from the broadcast venue and online remote voting via Digital Ballot Form ("DBF") facilities provided by Mega Corporate Services Sdn. Bhd. ("Mega Corp").</p> <p>All resolutions set out in the notice of the 29th AGM were voted by poll in accordance with Paragraph 8.29A of the MMLR of the Bursa Securities. The Company had appointed Mega Corporate as its Poll Administrator to conduct the online polling process and Cygnus Technology Solutions Sdn. Bhd. as its independent scrutineer.</p> <p>The Company had published the minutes of the 29th AGM, including the questions and answers, the voting results, and the resolutions passed, on the Company's website within a reasonable timeframe.</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 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>		
Application	:	Applied
Explanation on application of the practice	:	The Company had created a dedicated email: AGMsupport.RALCO@megacorp.com.my in supporting any enquiries or questions from the shareholders in relation to the matters of discussion in the 29th AGM and had provided an open questions and answer session during the virtual meeting held on 14 June 2024.
Explanation for departure	:	
	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	
	:	

Intended Outcome

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 29th AGM of the Company held on 14 June 2024, was held as a fully virtual meeting conducted entirely through live streaming from the Broadcast Venue and online remote voting via DBF facilities provided by Mega Corp., which is aligned with the Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 18 April 2020 and its subsequent revisions.</p> <p>During the 29th AGM, the Chairman introduced the members of the Board and Management to the shareholders prior to the commencement of the AGM. In addition, the Chairman also invited the shareholders to submit their questions online in real time during the meeting using the Questions' Pane facility via the live-streaming solution. All questions were read out either by the Chairman or the GMD. The Board and Management dealt with the questions raised immediately upon completion of the tabling of the last resolution. All the questions raised by the shareholders during the AGM were duly addressed by the Board and the Management.</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 the 29th AGM detailing the proceedings of the meeting including the questions raised by the shareholders and the response from the Board and the Management was made available on the Company's website at www.ralco.net , for all shareholders information not later than 30 business days after the 29th 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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