

## **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 0278  
**COMPANY NAME** : Edelteq Holdings Berhad  
**FINANCIAL YEAR** : December 31, 2025

### **OUTLINE:**

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

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

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

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

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

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors of Edelteq Holdings Berhad ("Edelteq" or the "Company") is collectively responsible for the long-term success of the Company and its subsidiaries ("Group") and provides overall stewardship of the Group's business and affairs. In discharging this role, the Board sets the Group's strategic direction, reviews and approves key business plans and priorities, oversees Management's performance, and ensures that appropriate resources, internal controls and risk management measures are in place to support the achievement of the Group's objectives.</p> <p>During FY2025, the Board continued to play an active role in evaluating and approving major strategic, investment and corporate exercises aimed at strengthening and diversifying the Group's earnings base. These included strategic business expansion initiatives, capital-raising measures to support the Group's funding requirements, and talent-related initiatives to support longer-term organisational development.</p> <p>The Board continuously monitors Management's performance through regular updates on the Group's financial results, operational performance and market developments. In addition, through the Nomination and Remuneration Committee ("NRC"), the Board oversees a structured performance-based remuneration framework for Executive Directors and Key Senior Management, which is linked to the achievement of the Group's Annual Operating Plan ("AOP") Profit Before Tax targets, with the aim of aligning Management's interests with the Group's performance objectives.</p> <p>The Board also promotes good corporate governance, ethical conduct and responsible decision-making across the Group, while taking into account the interests of shareholders and other stakeholders. In addition, the Board oversees the Group's approach to sustainability, including the consideration of</p>

	<p>sustainability-related risks and opportunities as part of the Group’s overall strategic and governance framework. The principal roles and responsibilities of the Board are formalised in the Board Charter, which sets out, among others, matters reserved for the Board, the division of roles and responsibilities between the Board and Management, and the governance principles applicable to the Group.</p> <p>To support the discharge of its responsibilities, the Board is assisted by Board Committees operating within clearly defined terms of reference. During FY2025, the Board’s committee structure comprised the Audit Committee (“AC”), Risk Management Committee (“RMC”) and NRC in the first half of the year. With effect from 1 July 2025, the AC and RMC were merged into the Audit and Risk Management Committee (“ARMC”) to provide more integrated oversight over financial reporting, audit, risk management, internal control and related governance matters. The Board Charter and relevant terms of reference were subsequently updated to reflect this structure.</p> <p>In setting the tone from the top, the Board oversees the Group’s framework of values, standards and policies, including the Code of Conduct and Ethics, Anti-Bribery and Anti-Corruption measures and Whistleblowing Policy, and expects Management to conduct the Group’s business in a responsible, ethical and sustainable manner.</p>	
<p><b>Explanation for departure</b></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><b>Measure</b></p>	<p>:</p>	
<p><b>Timeframe</b></p>	<p>:</p>	

### Intended Outcome

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

### Practice 1.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is led by Datuk Johar Bin Che Mat, who serves as the Independent Non-Executive Chairman of the Company. The Chairman plays a key leadership role in promoting high standards of corporate governance and ensuring the effective functioning of the Board. In this capacity, he leads the Board in the discharge of its responsibilities and facilitates constructive and balanced Board deliberations to support sound decision-making.</p> <p>The Chairman, together with the Company Secretary, sets the agenda for Board meetings and ensures that Directors receive timely, relevant and sufficient information to enable informed deliberation. He also ensures that adequate time is allocated for discussion of matters tabled to the Board, promotes active participation and open exchange of views among Directors, and facilitates effective communication between the Board, Board Committees and Management.</p> <p>In addition, the Chairman plays an important role in ensuring that the Board's deliberations and conduct are aligned with sound governance principles, and that the Board functions effectively in overseeing the Group's strategic direction, performance and governance matters. The roles and responsibilities of the Chairman are set out in the Board Charter, which is available on the Company's website.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The positions of Chairman and Group Chief Executive Officer ("Group CEO") are held by separate individuals. This clear separation of roles promotes an appropriate balance of power, authority and accountability, and supports effective governance and objective oversight at the Board level.</p> <p>The Chairman, Datuk Johar Bin Che Mat, is responsible for providing leadership to the Board, ensuring its effectiveness, and overseeing the orderly conduct of the Board's governance processes and deliberations. The Group CEO, Mr. Chin Yong Keong, is responsible for the executive management of the Group's business and operations, including the implementation of the Group's business plans, strategies, policies and decisions approved by the Board.</p> <p>This segregation of responsibilities ensures that no one individual has unfettered powers of decision-making and helps preserve a clear distinction between the Board's supervisory role and Management's executive role. The respective roles and responsibilities of the Chairman and the Group CEO are set out in the Board Charter, which is available on the Company's website.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.4

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairman of the Board, Datuk Johar Bin Che Mat, is not a member of the Audit and Risk Management Committee ("ARMC") or the Nomination and Remuneration Committee ("NRC"). This is consistent with the Board Charter and the Terms of Reference of the respective Board Committees, which provide for a clear separation between the role of the Chairman of the Board and membership of key Board Committees.</p> <p>As at 31 December 2025, both the ARMC and the NRC comprised exclusively Independent Non-Executive Directors ("INEDs"). This supports objective deliberation, strengthens checks and balances, and preserves the independence of the Board's oversight processes.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

## Practice 1.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is supported by suitably qualified, competent and experienced Company Secretaries who play an important advisory role in supporting the Board's effective functioning and governance processes. During FY2025, the Company Secretarial function transitioned from Ms. Tai Yit Chan and Mr. Ooi Kai Yang to Ms. Chan Eoi Leng of Concierto Corporatehouse Sdn. Bhd., with effect from 1 November 2025. Subsequently, following the financial year under review, the Board further strengthened the secretarial function with the appointment of Ms. Chong Kwai Yoong as Joint Secretary, effective 1 January 2026. All of the named Company Secretaries are Chartered Secretaries qualified under Section 235(2)(a) of the Companies Act 2016, hold valid Practising Certificates and are members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA").</p> <p>The Company Secretaries advise the Board and its Committees on corporate governance matters, Directors' fiduciary and statutory duties, the Companies Act 2016, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the Malaysian Code on Corporate Governance and other relevant regulatory requirements. In doing so, they support the Board in maintaining sound governance practices and in discharging its responsibilities effectively.</p> <p>The Company Secretaries also facilitate the orderly conduct of Board and Board Committee meetings. They ensure that meetings are properly convened, meeting agendas and papers are circulated in a timely manner, and the proceedings, deliberations, decisions and action items are accurately recorded in the minutes. In addition, they facilitate effective communication between Management and the Board and ensure that Directors have access to relevant information to support informed deliberation.</p> <p>The Company Secretaries further support the Board in ensuring compliance with applicable laws, regulations and disclosure obligations, including acting as liaison with the Companies Commission of Malaysia and Bursa Malaysia Securities Berhad, coordinating statutory filings, and managing the dissemination of corporate disclosures and announcements where required.</p>

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

### Intended Outcome

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

### Practice 1.6

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Directors are provided with meeting notices, agendas and relevant meeting papers within a reasonable period prior to Board and Board Committee meetings to enable them to review the matters for deliberation and make informed decisions. In accordance with the Board Charter, notice of Board meetings is generally given at least seven (7) days in advance, while Board papers and agenda items are circulated at least five (5) business days prior to the meeting, or within a shorter period where unavoidable. The Terms of Reference of the Audit and Risk Management Committee ("ARMC") similarly provide for the notice and agenda for each meeting to be circulated at least seven (7) days before the meeting.</p> <p>To support effective deliberation, the Board and Board Committees may invite members of senior management and other relevant personnel to attend meetings, where appropriate, to present on matters within their responsibility and to respond to queries raised by Directors. This allows the Board to obtain further clarification on strategic, operational, financial and governance matters as part of its decision-making process.</p> <p>The proceedings and deliberations of Board and Board Committee meetings are properly recorded by the Company Secretaries. In line with the Board Charter and the Terms of Reference of the respective Board Committees, minutes are prepared to capture the substance of discussions, inquiries, responses, decisions made and, where relevant, the rationale for such decisions. The minutes are circulated in a timely manner to the relevant Directors and Committee members, and the confirmed minutes are maintained as part of the Company's official records.</p>
<b>Explanation for departure</b>	:	

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

### Intended Outcome

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

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

### Practice 2.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is guided by a formal Board Charter, which serves as a key reference document in discharging its leadership, oversight and governance responsibilities. The Board Charter provides clarity on the respective roles and responsibilities of the Board, Board Committees, individual Directors and Management, and supports a clear demarcation of authority and accountability within the Group.</p> <p>The Board Charter sets out, among others, the role of the Board in providing stewardship of the Group's business and affairs, promoting good corporate governance culture, reviewing and adopting strategic plans, overseeing the conduct of the Group's business, addressing sustainability-related risks and opportunities, identifying principal risks and ensuring the implementation of appropriate internal controls and risk management measures, as well as appointing Board Committees and reviewing their effectiveness. The Charter also contains provisions setting out the distinct roles of the Chairman, the Group Chief Executive Officer, Executive Directors, Non-Executive Directors, Independent Directors and the Company Secretary.</p> <p>In addition, the Board Charter reserves a formal schedule of matters for the Board's decision to ensure that the direction and control of the Group remain firmly with the Board. These include, among others, strategic issues and planning, material acquisitions and disposals of assets, significant capital expenditure, financing and borrowing activities, treasury and risk management policies, appointment of auditors, review of financial statements, regulatory compliance, and review of the adequacy and integrity of the Group's internal control framework. Appendix A of the Board Charter sets out the matters reserved for the Board in further detail.</p> <p>During FY2025, the Board continued to apply the Board Charter in deliberating and approving major strategic, governance and corporate matters, including strategic investments, corporate exercises and governance-structure updates. In this regard, the</p>

	<p>Board Charter was reviewed and updated on 29 December 2025, including to reflect the Audit and Risk Management Committee (“ARMC”) consolidation detailed in Practice 1.1.</p> <p>The Board Charter is reviewed by the Board as and when necessary to ensure that it remains relevant and aligned with applicable laws, regulations, Bursa Malaysia Securities Berhad’s ACE Market Listing Requirements and prevailing corporate governance expectations. The current Board Charter is published on the Company’s website.</p>	
<b>Explanation for departure</b> :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

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

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

### Practice 3.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has established a Corporate Code of Conduct Policy ("Code") to promote a culture of integrity, accountability, transparency and fairness across the Group. The Code sets out the standards of ethical behaviour expected of Directors, Management and employees, and is intended to guide conduct in carrying out the Group's business and dealings. It covers, among others, conflicts of interest, abuse of power, bribery and corruption, insider trading, money laundering and compliance with applicable laws and internal policies. The Code is published on the Company's website.</p> <p>The Board, together with Management, continues to implement and reinforce the Code through the Group's governance framework, including related policies and procedures such as the Anti-Bribery and Anti-Corruption Policy and other conduct-related controls. During FY2025, the Group continued its training and awareness efforts on the Code and related compliance matters, including communication to employees through onboarding and refresher awareness initiatives, in line with the Code's requirement that it be communicated across all levels of employees.</p> <p>The Board remains committed to maintaining high standards of ethical conduct across the Group and notes that there were no confirmed incidents or concluded legal cases relating to corrupt practices during FY2025.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

### Intended Outcome

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

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

### Practice 3.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has established a Whistleblowing Policy to provide a confidential and structured avenue for the reporting of genuine concerns regarding suspected misconduct, unethical behaviour, fraud or other improper conduct. The policy sets out the reporting channels, including reporting to the Ethics Compliance Officer via post and email, and provides that whistleblowers will be protected from harassment, persecution or discriminatory behaviour, with communications handled confidentially unless disclosure is necessary to address the matter appropriately. The Whistleblowing Policy is published on the Company's website.</p> <p>The Board, together with Management, oversees the implementation of the whistleblowing framework. The Board Charter further provides that the Group's whistleblowing framework is intended to support the reporting of suspected improprieties in good faith and that the Audit and Risk Management Committee ("ARMC") oversees the implementation of the whistleblowing framework for the Group's management. The ARMC Terms of Reference also require proper investigations to be carried out on a timely basis for substantiated whistleblowing cases and the outcome to be reported to the Board where appropriate.</p> <p>Through this framework, the Board seeks to promote a speak-up culture and reinforce accountability and integrity across the Group. There were no whistleblowing reports received during the financial year ended 31 December 2025.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

## Intended Outcome

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

### Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets. The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board, together with Management, is responsible for the governance of sustainability within the Group, including the setting of sustainability direction, priorities and the oversight of material sustainability matters. In discharging its duties, the Board takes sustainability considerations into account as part of the Group's broader strategy, business planning, risk management and oversight processes.</p> <p>The Board is supported by the Audit and Risk Management Committee ("ARMC"), which provides oversight of material sustainability-related risks, opportunities, performance and disclosures, including the integration of sustainability and climate-related considerations into the Group's Enterprise Risk Management ("ERM") framework. The ARMC's role in relation to sustainability oversight was further formalised through the updated Terms of Reference during FY2025.</p> <p>At Management level, strategic management of material sustainability matters is driven through the Environmental, Social and Governance ("ESG") Committee, which is chaired by an Executive Director. The ESG Committee supports the implementation of the Group's sustainability priorities by translating material matters into management actions, coordinating implementation across functions, and reporting progress to the ARMC for oversight. Day-to-day execution is supported by designated functional owners across the relevant business and support functions.</p> <p>During FY2025, the Group continued to strengthen its sustainability governance approach through clearer oversight arrangements, more structured KPI ownership, and improved internal processes to support the management and reporting of material sustainability matters. Through this governance structure, the Board and Management seek to ensure that sustainability considerations are embedded progressively into the Group's decision-making and operational oversight.</p>

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

### Intended Outcome

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

### Practice 4.2

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

<b>Application</b>	: Applied
	<p>The Board ensures that the Group's sustainability strategies, priorities, targets and performance against those targets are communicated to relevant internal and external stakeholders through a combination of formal governance channels, corporate disclosures and stakeholder engagement mechanisms. In doing so, the Board seeks to promote transparency, accountability and a clearer understanding of how sustainability matters are being managed across the Group.</p> <p>For external stakeholders, the Group's Sustainability Statement in the Annual Report serves as the principal communication platform for the disclosure of its material sustainability matters, management approach, key priorities, selected targets and performance updates. In addition, the Group communicates relevant business and sustainability-related developments through its Annual General Meeting ("AGM"), corporate website, announcements and other public disclosures, where appropriate. The Audit and Risk Management Committee ("ARMC") also reviews the Sustainability Statement prior to its submission to the Board for approval and publication in the Annual Report.</p> <p>For internal stakeholders, sustainability-related priorities and progress are communicated through Board and Board Committee updates, Management and Environmental, Social and Governance ("ESG") Committee discussions, as well as employee-related communication and engagement channels. In FYE 2025, the Group continued to apply stakeholder engagement insights more systematically to support its materiality review, KPI refinement, management responses and disclosure development. Key stakeholder groups engaged during the year included shareholders and investors, employees, customers, suppliers, government and regulatory authorities, as well as internal governance bodies such as the Board and Board Committees.</p> <p>This approach enables the Board and Management to communicate the Group's sustainability direction and performance in a structured manner, while also allowing stakeholder feedback to inform the ongoing refinement of sustainability priorities, disclosures and management actions.</p>

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

### Intended Outcome

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

### Practice 4.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board takes appropriate steps to remain informed of, and to enhance its understanding of, sustainability matters relevant to the Group and its business, including climate-related risks and opportunities. This is achieved through a combination of structured management updates, Board Committee oversight, external advisory support and relevant training and development initiatives.</p> <p>During FY2025, the Board and Board Committees continued to receive sustainability and governance updates through the Group's established reporting channels. In particular, the Audit and Risk Management Committee ("ARMC") reviewed periodic updates from Management and the Environmental, Social and Governance ("ESG") Committee on material sustainability matters, key risks, performance metrics and progress of related initiatives, including the integration of material sustainability and climate-related risks into the Group's Enterprise Risk Management ("ERM") framework.</p> <p>The Group also continued to engage an external ESG consultant during FY2025 to support roadmap development, KPI refinement and disclosure planning, thereby helping Management and the Board stay informed of evolving sustainability expectations and reporting developments. In addition, the Group undertook further capability-building in relation to emerging reporting developments, including an International Financial Reporting Standards ("IFRS S1" / "IFRS S2") disclosure structure workshop conducted for the ESG Committee to deepen understanding of governance, risk management and data requirements relevant to future sustainability and climate-related disclosures.</p> <p>The Company's governance documents further reinforce this approach. The ARMC Terms of Reference provide that Committee members are to receive periodic training on relevant sustainability standards and regulatory developments, while the Nomination and Remuneration Committee ("NRC") Terms of Reference require Directors to attend training where necessary, including updates on corporate governance and sustainability requirements issued by Bursa Malaysia and the Securities Commission Malaysia.</p>

	Through these measures, the Board is able to remain appropriately informed of sustainability matters relevant to the Group, including climate-related developments, and to exercise its oversight responsibilities with better awareness of the related risks, opportunities and disclosure expectations.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 4.4

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company continues to incorporate sustainability-related considerations into its performance review and oversight processes at both Board and Management levels, recognising that effective governance of material sustainability risks and opportunities requires ongoing assessment, accountability and continuous improvement.</p> <p>For the Board, the Nomination and Remuneration Committee ("NRC") undertakes the annual evaluation of the effectiveness of the Board, Board Committees and individual Directors. In FY2025, the Board evaluation process included a dedicated consideration of Environmental, Social and Governance ("ESG") issues, through which the NRC assessed, among others, the Board's quality of deliberation on material ESG matters, its understanding of sustainability-related risks and time horizons, the integration of ESG considerations into the Group's risk management framework, the monitoring of sustainability KPIs and targets, and the effectiveness of the Group's sustainability governance and management arrangements. The NRC Terms of Reference were subsequently updated on 29 December 2025 to further formalise the integration of ESG considerations into the Company's governance framework.</p> <p>The FY2025 assessment also considered the extent to which management-level sustainability governance was in place to support the management of material sustainability risks and opportunities. This included review of the role of the ESG Committee, senior management accountability in relation to sustainability targets, and whether the Company's management structure was adequately supporting the execution and monitoring of sustainability strategies and goals. In this way, the evaluation extended beyond the Board alone and included review of the governance and management arrangements through which material sustainability matters were being addressed.</p> <p>In addition, the Group's FY2025 sustainability review explains that the NRC had expanded its oversight to monitor alignment with long-term strategy and to advise the Board on the appropriate timing and design of sustainability-linked performance measures. However, the Group had not yet implemented sustainability-linked remuneration in FYE 2025, as key sustainability KPIs were still in</p>

	baseline-building and control-strengthening stages, particularly in relation to KPI definitions, data ownership, data quality and assurance readiness. The immediate priority therefore remained on strengthening the underlying governance, measurement discipline and internal control environment needed to support a more mature sustainability-linked framework in future. This is also consistent with the updated NRC Terms of Reference.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 4.5- Step Up**

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

<b>Application</b>	:	Adopted
<b>Explanation on application of the practice</b>	:	<p>The Company has designated Management-level responsibility for the strategic management of sustainability matters through the Environmental, Social and Governance (“ESG”) Committee, which is chaired by an Executive Director, Mr. Khong Chee Seong. This provides a clear management focal point for sustainability and supports the implementation of the Group’s sustainability priorities across the organisation.</p> <p>In this role, the ESG Committee drives the coordination of sustainability-related initiatives, facilitates the monitoring of relevant priorities and progress, and supports Management’s reporting to the Board and the Audit and Risk Management Committee (“ARMC”) on material sustainability matters. This helps ensure that sustainability management is anchored at senior management level and translated into follow-through at the operating level.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Nomination and Remuneration Committee (“NRC”) undertakes an annual review of the Board’s composition to ensure that the Board remains appropriately balanced, refreshed and aligned with the Company’s strategic direction. In carrying out this role, the NRC reviews the size, structure and composition of the Board, the required mix of skills, experience and other qualities, the tenure and independence of Directors, as well as the effectiveness of the Board, Board Committees and individual Directors. The NRC also considers whether Directors standing for re-election continue to satisfy the fit and proper criteria and are able to contribute effectively to the Board.</p> <p>During FY2025, the NRC continued to discharge these responsibilities through the Board refreshment and evaluation process undertaken for the financial year. This included the appointment of two additional Independent Non-Executive Directors (“INEDs”), namely Mr. Ngo Tong Seng with effect from 1 January 2025 and Mr. Christof Otto Brass with effect from 1 November 2025, following the retirement of Datin Soheir Binti Mohammad Khatib on 25 June 2025. These changes contributed to the periodic refreshment of the Board and introduced additional perspectives and experience to the Board’s composition.</p> <p>On 19 November 2025, the NRC reviewed the tenure of all serving INEDs and noted that all remained well within the nine-year tenure limit recommended under the Malaysian Code on Corporate Governance.</p> <p>During the same review cycle, the NRC also carried out its annual assessment of the Board, Board Committees and individual Directors using evaluation tools covering, among others, fit and proper criteria, independence, conflict of interest considerations, skill set and time commitment. Based on the results of these assessments, the NRC was satisfied that the Directors had continued to discharge their duties effectively and remained suitable for re-election where applicable.</p> <p>In accordance with the Company’s Constitution and based on the satisfactory outcome of the evaluation process, the NRC noted that Datuk Johar Bin Che Mat and Ms. Joyce Wong Ai May would</p>

	<p>retire by rotation pursuant to Clause 18.4 of the Company's Constitution, while Mr. Christof Otto Brass, who was appointed during the year, would retire pursuant to Clause 18.10 of the Company's Constitution. As all three Directors, being eligible, had offered themselves for re-election, the NRC recommended their re-election to the Board for consideration and submission to shareholders for approval at the forthcoming 2026 Annual General Meeting.</p> <p>Through this structured annual review process, the NRC supports orderly Board refreshment, continued Board effectiveness and accountability to shareholders.</p>	
<b>Explanation for departure</b> :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**Intended Outcome**

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

**Practice 5.2**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>During FY2025, the Board composition was refreshed (as detailed in Practice 5.1). As at 31 December 2025, the Board comprised seven (7) members, namely two (2) Executive Directors and five (5) Independent Non-Executive Directors (“INEDs”). Accordingly, the INEDs constituted 71.43% of the Board and the Company continued to maintain a majority independent Board composition during FY2025.</p> <p>This composition is in line with the Board Charter, which provides that at least half of the Board shall comprise INEDs. The Board is of the view that its current composition provides a strong independent element to support objective deliberation, effective oversight and balanced decision-making in the best interests of the Company.</p> <p>The Board remains satisfied that the current composition continues to provide the appropriate balance of executive participation and independent oversight.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.3

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Consistent with the Company's Board Charter, Edelteq enforces the tenure limits for Independent Non-Executive Directors ("INEDs") as recommended by the Malaysian Code on Corporate Governance ("MCCG").</p> <p>During FY2025, the Nomination and Remuneration Committee ("NRC") conducted a review of the tenure of all serving INEDs and confirmed that none had reached or exceeded the cumulative nine-year tenure limit as at 31 December 2025:</p> <ul style="list-style-type: none"><li>• Datuk Johar Bin Che Mat: Appointed 1 August 2022 (approx. 3 years and 5 months)</li><li>• Encik Kamaruddin Bin Kassim: Appointed 1 August 2022 (approx. 3 years and 5 months)</li><li>• Ms. Joyce Wong Ai May: Appointed 1 August 2022 (approx. 3 years and 5 months)</li><li>• Mr. Ngo Tong Seng: Appointed 1 January 2025 (less than 12 months)</li><li>• Mr. Christof Otto Brass: Appointed 1 November 2025 (less than 12 months)</li></ul> <p>Consequently, there has been no requirement for the Board to consider an extended tenure for any INED, nor to seek shareholders' approval via a two-tier voting process at the upcoming general meeting.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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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.

<i>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.</i>	
<b>Application</b>	: Not Adopted
<b>Explanation on adoption of the practice</b>	: This Step Up practice is not adopted.  The Company's Board Charter does not impose an absolute limit of nine (9) years on the tenure of Independent Non-Executive Directors ("INEDs") without further extension. Instead, the Board Charter provides that, in exceptional cases and subject to the assessment of the Nomination and Remuneration Committee ("NRC"), an INED may be retained beyond a cumulative term of nine (9) years, provided that justification is given and shareholders' approval is obtained annually through a two-tier voting process in accordance with the Malaysian Code on Corporate Governance.  Notwithstanding the above, the Board Charter further provides that the Board will not continue the extension of an Independent Director beyond twelve (12) years.

### Intended Outcome

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

### Practice 5.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board and the Nomination and Remuneration Committee (“NRC”) employ a rigorous, objective assessment process for the appointment of Directors and Key Senior Management (“KSM”), ensuring candidates are evaluated on merit, professional qualifications, integrity, and alignment with the Group’s strategic goals.</p> <p>During FY2025, these principles continued to guide Board refreshment and management appointments. In respect of Board appointments, the NRC and the Board applied the fit and proper assessment framework and considered the suitability of new Independent Non-Executive Directors against the Company’s required mix of skills, experience and diversity. The Board also remained mindful of the requirement that Directors must be able to devote sufficient time to the discharge of their duties, and the Company maintained compliance with the limit of not more than five listed-company directorships for each Director.</p> <p>At Management level, appointments and progression in KSM roles continued to be guided by role requirements, merit, performance and succession considerations. In FYE 2025, the Group’s leadership diversity at KSM level improved, with female representation increasing to 37.5%, supported by a combination of targeted external hiring and internal promotion of long-serving female employees into KSM roles. The Sustainability Report also describes the Group’s approach as merit-based, while recognising the value of diversity and inclusion in strengthening organisational resilience and decision-making quality.</p> <p>Through this approach, the Board and NRC seek to ensure that appointments to the Board and senior management are made in a manner that supports effective governance, leadership continuity and the long-term interests of the Group.</p>

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

### Intended Outcome

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

### Practice 5.6

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In line with the Terms of Reference of the Nomination and Remuneration Committee (“NRC”), the NRC may identify and consider candidates from a range of sources, including existing Board members, Management, major shareholders, independent search firms and other independent sources. This enables the Company to access a broader pool of candidates while maintaining an objective and merit-based selection process.</p> <p>During FY2025, the appointment of Mr. Christof Otto Brass as Independent Non-Executive Director (“INED”) was based on a recommendation from Management, specifically the Group Chief Executive Officer (“Group CEO”). In considering this appointment, the NRC was satisfied that this source was sufficient in the circumstances, as the candidate possessed experience and market exposure considered relevant to the Group’s strategic direction and Board needs at the time. The NRC therefore did not consider it necessary to engage an external search firm for that specific appointment.</p> <p>Notwithstanding the source of recommendation, the candidate was subjected to the NRC’s normal and independent assessment process before any recommendation was made to the Board. This included a review of the candidate’s credentials, relevant experience, fit and proper considerations, integrity and potential conflicts of interest, to ensure that the appointment remained objective and merit-based. This approach is consistent with the NRC’s Terms of Reference, which require new appointments to be assessed against defined selection criteria and allow the NRC to interview pivotal candidates where appropriate.</p>
<b>Explanation for departure</b>	:	

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

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

## Intended Outcome

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

## Practice 5.7

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>Shareholders are provided with relevant information on the appointment and re-election of Directors through the Company's annual report, Bursa Securities announcements and, where applicable, the notice of general meeting and accompanying explanatory notes. This is to enable shareholders to make an informed decision on whether to support the appointment or re-election of a Director. Relevant information disclosed includes, where applicable, the Director's profile, qualifications, experience, directorships in other public companies, independence status, conflict of interest situation and any other matters that may affect the Director's ability to exercise independent judgement in the best interests of the Company.</p> <p>During FY2025, this was reflected through the following:</p> <ul style="list-style-type: none"><li>• <b>New appointment</b> In relation to the appointment of Mr. Christof Otto Brass as Independent Non-Executive Director ("INED") with effect from 1 November 2025, the Board ensured that the relevant information regarding his profile, experience and suitability for the role was considered and disclosed through the appropriate announcement process. His appointment was supported based on the Board's assessment of his experience, fit and proper considerations and relevance to the Company's Board requirements at the time.</li><li>• <b>Re-election of retiring Directors</b> For the forthcoming 2026 Annual General Meeting ("AGM"), the Nomination and Remuneration Committee ("NRC") reviewed the performance, contribution, fit and proper criteria, time commitment and independence of the retiring Directors standing for re-election. Based on the annual evaluation undertaken, the NRC was satisfied that Datuk Johar Bin Che Mat and Ms. Joyce Wong Ai May, who will retire by rotation pursuant to Clause 18.4 of the Company's Constitution, and Mr. Christof Otto Brass, who</li></ul>

	<p>will retire pursuant to Clause 18.10 of the Company's Constitution, remain suitable to continue serving on the Board.</p> <ul style="list-style-type: none"> <li>• <b>Board's recommendation to shareholders</b> Following the NRC's recommendation and the Board's consideration, the Board supports the re-election of the above Directors at the forthcoming 2026 Annual General Meeting and will provide the relevant information in the meeting materials to assist shareholders in making an informed decision.</li> </ul> <p>This approach supports transparency in Board appointments and re-elections, and helps ensure that shareholders are given sufficient information to assess the suitability of candidates proposed for appointment or continued service on the Board.</p>	
<p><b>Explanation for departure</b> :</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><b>Measure</b> :</p>		
<p><b>Timeframe</b> :</p>		

**Intended Outcome**

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

**Practice 5.8**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Throughout FY2025, the Nomination and Remuneration Committee (“NRC”) continued to be chaired by an Independent Non-Executive Director (“INED”). Datin Soheir Binti Mohammad Khatib chaired the NRC until her retirement on 25 June 2025, following which Encik Kamaruddin Bin Kassim was appointed as Chairman of the NRC.</p> <p>As at 31 December 2025, the NRC comprised Encik Kamaruddin Bin Kassim, Ms. Joyce Wong Ai May and Mr. Ngo Tong Seng, all of whom are INEDs. This composition supports objective deliberation and independent judgment in matters relating to Board composition, succession, assessment and remuneration oversight.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.9**

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>As at 31 December 2025, the Board comprised seven (7) Directors, of which one (1) was a woman Director, namely Ms. Joyce Wong Ai May. Female representation on the Board therefore stood at 14.29%, which was below the 30% level recommended under the Malaysian Code on Corporate Governance.</p> <p>This reduction arose during FY2025 following the Board composition changes detailed in Practice 5.1. In making those appointments, the Board and the Nomination and Remuneration Committee (“NRC”) considered the immediate skills, experience and Board requirements of the Company at the relevant time.</p> <p>Notwithstanding the above, the Company remained compliant with the ACE Market Listing Requirements, which require at least one woman director on the Board.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 5.10

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Gender diversity continues to form part of the Company's broader approach to Board and senior management composition. The Board Charter states that the Board is supportive of the gender boardroom diversity recommended by the Malaysian Code on Corporate Governance, and that the Board, through the Nomination and Remuneration Committee ("NRC"), will continue to review Board composition having regard to competence, experience, character, integrity and time commitment, while pursuing the target of 30% women Directors. The Board Charter also provides that the Company's gender diversity policy for the Board and senior management is to be disclosed in the annual report.</p> <p>In line with this approach, appointments and promotions at both Board and senior management levels continue to be guided by merit and role requirements, with due regard for diversity, including gender diversity, as part of the overall composition and succession planning process. The NRC Terms of Reference similarly provide for diversity in gender, age, skills, experience and cultural background to be considered in Board and key senior management appointments.</p> <p>The Annual Report provides disclosure on the current gender composition of the Board and Key Senior Management ("KSM"). As at 31 December 2025, the Board had one woman Director out of seven Directors, while female representation at KSM level increased to 37.5% during FY2025. The Sustainability Statement also explains that this improvement at KSM level was supported by a combination of internal promotions and targeted external hiring, consistent with the Group's merit-based and diversity-conscious leadership development approach.</p> <p>Through these disclosures, shareholders and other stakeholders are provided with visibility on the Company's gender diversity approach and the current composition of its leadership pipeline.</p>
<b>Explanation for departure</b>	:	

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

### Intended Outcome

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

### Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>A structured annual assessment was undertaken by the Nomination and Remuneration Committee (“NRC”) during FY2025 to evaluate the effectiveness of the Board, its Committees and each individual Director. This is consistent with the NRC’s Terms of Reference, which require annual assessment of the Board as a whole, the Board Committees and the contribution of each individual Director, with proper documentation of all assessments and evaluations. The NRC is also required to ensure that the annual report discloses the assessment undertaken and the criteria used.</p> <p>The FY2025 annual evaluation was carried out on 19 November 2025 using customised assessment forms completed by the Directors. The assessment covered, among others, the following areas:</p> <ul style="list-style-type: none"><li>• Board evaluation</li><li>• Board Committees evaluation</li><li>• Individual Director assessment</li><li>• Board skills / skill set matrix</li><li>• Level of independence of Directors</li><li>• Fit and Proper assessment</li><li>• Conflict of Interest declarations</li></ul> <p>The assessment process was intended to provide an objective basis for the NRC’s review of Board effectiveness, Board Committee effectiveness, individual contribution, independence, integrity and continuing suitability for office. This overall approach is consistent with the FY2024 methodology, where Directors completed self-assessment questionnaires and the results were</p>

consolidated for NRC deliberation before being tabled to the Board.

### **Outcome of the assessment**

Based on the FY2025 evaluation, the NRC was satisfied that the Board, the Audit and Risk Management Committee (“ARMC”) and the NRC had continued to discharge their respective roles effectively. The assessment indicated that the Board remained competent, appropriately balanced and effective in carrying out its governance and oversight responsibilities. The NRC was also satisfied that all Directors continued to meet the relevant fit and proper considerations, were able to devote sufficient time to the discharge of their duties, and remained free from conflicts of interest. In addition, the independence of the Independent Non-Executive Directors was assessed and found to remain satisfactory, in line with the Company’s governance framework and the NRC’s review responsibilities.

### **Actions taken**

Following the assessment:

- the NRC was satisfied with the continued composition and performance of the ARMC and its members, consistent with the requirement for annual review of the term of office and performance of the ARMC and each of its members;
- the NRC recommended the re-election of Datuk Johar Bin Che Mat, Ms. Joyce Wong Ai May and Mr. Christof Otto Brass at the forthcoming 2026 Annual General Meeting, based on the satisfactory outcome of the evaluation process; and
- the results of the assessment were used by the NRC and the Board as part of their continuing review of Board composition, succession and governance effectiveness.

### **Influence on Board composition**

The annual evaluation also supported the Board’s ongoing refreshment and succession planning process. During FY2025, Board composition had already been refreshed (as detailed in Practice 5.1). The assessment outcomes supported the continuation of the current Directors in office where applicable, while also informing the NRC’s continuing review of the Board’s overall composition, including skills, independence, diversity and future succession needs. This is aligned with the NRC’s role in reviewing Board composition, maintaining a Board skills matrix and considering succession planning for the Board and key leadership positions.

Through this annual assessment process, the Company seeks to ensure that Board effectiveness is reviewed on a formal and

	continuing basis, and that the results of the review support both accountability and longer-term Board development.	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

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

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

### Practice 7.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company's remuneration framework is guided by the Board Charter and the Terms of Reference of the Nomination and Remuneration Committee ("NRC"), which set out the roles, principles and review process applicable to the remuneration of Directors and Key Senior Management ("KSM"). In determining remuneration, the relevant framework takes into account, among others, the scope and demands of the role, the complexity of the Group's activities, business strategy and long-term objectives, performance, experience and market practice. The framework also distinguishes appropriately between the roles of Non-Executive Directors, Executive Directors and KSM.</p> <p>During FY2025, the application of this framework was reflected through the following:</p> <ul style="list-style-type: none"><li>• <b>Non-Executive Directors ("NEDs")</b> Remuneration for Non-Executive Directors continued to comprise fixed fees and meeting-related benefits appropriate to their oversight responsibilities and time commitment. The NRC reviewed the Directors' fees and benefits, taking into account market benchmarking and the nature of the responsibilities carried by the Board and Board Committees, and recommended that the fee structure for the next period remain unchanged.</li><li>• <b>Executive Directors and KSM</b> Remuneration for Executive Directors and KSM continued to be reviewed with regard to role scope, individual contribution, Group performance and comparable market data. In FY2025, the NRC reviewed the remuneration packages of the expanded KSM team and considered market positioning and role developments in assessing the appropriateness of those packages.</li></ul>

	<ul style="list-style-type: none"> <li>• <b>Performance-linked element</b> Variable remuneration for the Group Chief Executive Officer and Executive Directors continued to be structured with reference to the Group's performance. During FY2025, the NRC reviewed and recommended a performance-based bonus framework linked to the achievement of the Group's Annual Operating Plan Profit Before Tax targets.</li> </ul> <p>The remuneration framework is subject to periodic review by the NRC and the Board to ensure that it remains relevant, competitive and aligned with the Group's business needs and long-term direction. The relevant governance documents supporting this framework, including the Board Charter and NRC Terms of Reference, are available on the Company's website.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### Intended Outcome

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

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

### Practice 7.2

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Remuneration matters are overseen by the Nomination and Remuneration Committee ("NRC"), which operates under written Terms of Reference approved by the Board. The NRC's remit includes recommending the remuneration framework for Executive Directors and Key Senior Management ("KSM"), reviewing remuneration packages, reviewing compensation policy and reward structures, and making recommendations to the Board on remuneration matters. The Terms of Reference also require the NRC to consider factors such as operating results, individual performance, contribution, comparable market statistics, business strategy and long-term objectives when carrying out its remuneration responsibilities.</p> <p>Throughout FY2025, the NRC continued to comprise only Independent Non-Executive Directors, with its membership and chairmanship changes detailed in Practice 5.8. This composition supports objective and independent deliberation on remuneration matters.</p> <p>During FY2025, the NRC continued to discharge its remuneration responsibilities through, among others, the following:</p> <ul style="list-style-type: none"><li>• reviewing benchmark information and remuneration positioning for Directors, the Group Chief Executive Officer and KSM;</li><li>• reviewing and recommending Directors' fees and benefits for the relevant period for Board and shareholders' consideration, where applicable;</li><li>• reviewing remuneration packages for the expanded KSM team; and</li></ul>

	<ul style="list-style-type: none"> <li>reviewing and recommending the performance-based bonus framework for the Group Chief Executive Officer and Executive Directors.</li> </ul> <p>The NRC Terms of Reference are reviewed periodically and the updated Terms of Reference, approved on 29 December 2025, are made available on the Company's website.</p>	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**Intended Outcome**

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

**Practice 8.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The remuneration of each Director for the financial year ended 31 December 2025 is set out below:	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

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	Datuk Johar Bin Che Mat	Independent Non-Executive Chairman								96	7					103
2	Chin Yong Keong	Executive Director		12	618	236	25		891							
3	Khong Chee Seong	Executive Director		12	247	72	15		346							
4	Kamaruddin Bin Kassim	Independent Non-Executive Director								48	7					55
5	Joyce Wong Ai May	Independent Non-Executive Director								60	7					67
6	Ngo Tong Seng	Independent Non-Executive Director								48	7					55
7	Christof Otto Brass	Independent Non-Executive Director														

### Intended Outcome

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

### Practice 8.2

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Company does not disclose the remuneration of its top senior management on a named basis or in bands of RM50,000 in the Annual Report. The Board is of the view that such disclosure is not appropriate in light of the confidential and commercially sensitive nature of senior management remuneration information, particularly in a competitive operating environment where the Group needs to manage talent retention carefully.</p> <p>The Company provides named individual disclosure of the remuneration of Directors under Practice 8.1, including Executive Directors who are also part of senior management. In addition, the remuneration of Key Senior Management ("KSM") continues to be subject to oversight by the Nomination and Remuneration Committee ("NRC"), which reviews the remuneration framework, remuneration packages and relevant benchmarking and performance considerations in accordance with its Terms of Reference.</p> <p>Through this approach, shareholders continue to receive visibility over the remuneration of the Directors, including the Executive Directors, while the remuneration of the remaining senior management is reviewed through an established governance process that supports fairness, competitiveness and alignment with the Group's needs without disclosing commercially sensitive personal remuneration information.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 8.3 - Step Up**

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

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

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Throughout FY2025, the chairmanship of the audit oversight function remained separate from the chairmanship of the Board. Prior to the consolidation of the Audit Committee ("AC") and Risk Management Committee ("RMC") into the Audit and Risk Management Committee ("ARMC") on 1 July 2025, Ms. Joyce Wong Ai May served as Chairperson of the AC, while Datuk Johar Bin Che Mat served as Chairman of the Board. Following the consolidation, Ms. Joyce Wong Ai May continued as Chairperson of the ARMC.</p> <p>This separation is consistent with the Company's governance framework and supports objective, independent oversight of financial reporting, audit and related control matters. The ARMC Report also confirms that the Chairperson of the ARMC is not the Chairman of the Board.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.2**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The requirement for a former partner of the external audit firm to observe a cooling-off period of at least three (3) years before appointment to the audit oversight committee is formalised in the Terms of Reference of the Audit and Risk Management Committee (“ARMC”).</p> <p>As at 31 December 2025, the ARMC comprised Ms. Joyce Wong Ai May, Encik Kamaruddin Bin Kassim and Mr. Ngo Tong Seng, all of whom are Independent Non-Executive Directors (“INEDs”). The ARMC Report confirms that none of the ARMC members were former key audit partners of the Group’s external auditors within the applicable cooling-off period. This supports the continued objectivity and independence of the Committee in carrying out its oversight responsibilities.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The assessment of the suitability, objectivity and independence of the external auditors is governed by the Terms of Reference of the Audit and Risk Management Committee ("ARMC"). Under its Terms of Reference, the ARMC is responsible for reviewing the external audit scope, nature and plan, considering the appointment, suitability, objectivity and independence of the external auditors, reviewing the re-appointment of the external auditors, and reviewing the contracts for permitted non-audit services and the procedures applicable to such engagements.</p> <p>During FY2025, the ARMC discharged these responsibilities through the following:</p> <ul style="list-style-type: none"><li>• <b>Annual assessment of the external auditors</b> Pursuant to Rule 15.21 of the ACE Market Listing Requirements, the ARMC carried out its annual assessment of Messrs Grant Thornton Malaysia PLT, taking into account, among others, the adequacy of the firm's experience and resources, the persons assigned to the audit, the nature of the audit engagements, and the size and complexity of the Group.</li><li>• <b>Review of audit scope and audit matters</b> The ARMC reviewed the external audit scope, nature and audit plan, the results of the external audit, the audit report and matters arising from the audit, including Management's responses and follow-up actions where relevant. The ARMC also considered the assistance and cooperation rendered by employees to the external auditors in the course of the audit.</li><li>• <b>Private session with external auditors</b> To facilitate candid and independent discussion, the Committee met with the external auditors without the presence of executive Board members and Management. Prior to the consolidation of the Audit Committee ("AC") and Risk Management Committee ("RMC"), the then Audit Committee held such a private session with the external auditors on 17 February 2025.</li></ul>

	<ul style="list-style-type: none"> <li> <b>Non-audit services and fees</b>            The ARMC also considered the scope of permitted non-audit services and the proposed audit fees to ensure an appropriate balance between audit quality, independence and value for money. The ARMC Terms of Reference further identify categories of engagements that are not to be entered into with the external auditors, including management consulting, strategic decision work, internal audit, and policy and standard operating procedures documentation.         </li> </ul> <p>Based on the assessment undertaken, the ARMC was satisfied with the external auditors' performance, technical competency and independence, and recommended their re-appointment and the proposed audit fees to the Board for submission to shareholders for approval at the forthcoming Annual General Meeting.</p>	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>Throughout FY2025, the Company's audit oversight function was carried out entirely by Independent Non-Executive Directors ("INEDs"). Prior to the consolidation of the Audit Committee ("AC") and Risk Management Committee ("RMC") into the Audit and Risk Management Committee ("ARMC") on 1 July 2025, the AC comprised only INEDs. Following the consolidation, the ARMC also continued to comprise solely INEDs.</p> <p>During the year, the audit oversight committee composition was as follows:</p> <ul style="list-style-type: none"><li>• Ms. Joyce Wong Ai May – Chairperson</li><li>• Encik Kamaruddin Bin Kassim – Member</li><li>• Datin Soheir Binti Mohammad Khatib – Member, until her retirement on 25 June 2025</li><li>• Mr. Ngo Tong Seng – Member, appointed following Datin Soheir's retirement</li></ul> <p>This fully independent composition supports objective oversight of the Group's financial reporting, external audit, internal control and related governance matters, and reinforces the independence of the Committee in carrying out its responsibilities.</p>

## Intended Outcome

There is an effective and independent Audit Committee.

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

## Practice 9.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is satisfied that the Audit and Risk Management Committee ("ARMC") collectively possesses the skills, experience, financial literacy and competence required to discharge its responsibilities effectively. The ARMC Report confirms that all members are financially literate and have sufficient understanding of the Group's business and the matters falling under the Committee's purview, including the financial reporting process.</p> <p>The Chairperson of the ARMC, Ms. Joyce Wong Ai May, satisfies the financial qualification requirements under the ACE Market Listing Requirements and the Terms of Reference of the ARMC, which supports the Committee's oversight of financial reporting and audit matters.</p> <p>The effectiveness of the ARMC and each of its members is subject to annual review by the Nomination and Remuneration Committee ("NRC"). In addition, the Board Charter requires Directors to undertake training on a continuing basis, and the ARMC Terms of Reference further provide for periodic training on relevant regulatory and sustainability developments to support the discharge of the Committee's responsibilities.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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**Intended Outcome**

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

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

**Practice 10.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board retains ultimate responsibility for establishing and maintaining a sound risk management and internal control framework for the Group, to ensure that principal risks are identified, evaluated and managed in a manner consistent with the Group’s business objectives and risk appetite. In carrying out this responsibility, the Board oversees the adequacy and integrity of the Group’s risk management, internal control and management information systems, while day-to-day implementation and monitoring are carried out by Management. The Board Charter further provides that the Board shall ensure that an appropriate financial planning, operating and reporting framework, together with an embedded risk management framework, is established across the Group.</p> <p>During FY2025, the Board continued to strengthen its oversight structure through the formation of ARMC, so as to support more coordinated oversight of financial reporting, audit, risk management, internal control and related governance matters. The Board confirms that the Group’s risk management practices and internal controls provide reasonable, and not absolute, assurance against material misstatement, loss or failure to achieve business objectives. Details of this approach are further discussed in the Statement on Risk Management and Internal Control (“SORMIC”) in the Annual Report.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 10.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The key features of the Group’s risk management and internal control framework, together with the Board’s assessment of its adequacy and effectiveness, are set out in the Statement on Risk Management and Internal Control (“SORMIC”) in the Annual Report.</p> <p>As disclosed in the SORMIC, the framework incorporates, among others:</p> <ul style="list-style-type: none"><li>• an established Enterprise Risk Management (“ERM”) process guided by the principles of ISO 31000;</li><li>• structured risk identification, assessment, prioritisation and monitoring using likelihood, impact and residual risk scoring, supported by heat maps and assigned ownership;</li><li>• oversight by the Board through the Audit and Risk Management Committee (“ARMC”), with Management responsible for implementation and ongoing monitoring;</li><li>• internal control processes supported by formal policies, procedures, reporting lines, escalation channels and control activities across the Group; and</li><li>• independent assurance through the outsourced internal audit function, which reviews selected areas based on a risk-based audit plan and reports its findings, Management’s responses and follow-up actions to the AC / ARMC.</li></ul> <p>In assessing the adequacy and effectiveness of the framework for FY2025, the Board considered, among others, updates from Management, the work of the internal audit function, the review activities of the ARMC, and formal assurance from the Group Chief Executive Officer (“Group CEO”) and the Financial Controller that the Group’s risk management and internal control systems had operated adequately and effectively, in all material respects, throughout FY2025.</p>

	Based on this review, the Board was satisfied that the Group's system of risk management and internal control was adequate and effective in all material respects during FY2025 and did not result in any material losses or contingencies requiring separate disclosure in the Annual Report.	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

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

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

### Practice 10.3 - Step Up

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

<b>Application</b>	:	Applied
<b>Explanation on adoption of the practice</b>	:	<p>Risk oversight during FY2025 was carried out through a dedicated Board committee structure. With effect from 1 July 2025, the Board consolidated the standalone Audit Committee and Risk Management Committee into the Audit and Risk Management Committee ("ARMC"), which assumed the risk oversight responsibilities previously undertaken by the Risk Management Committee.</p> <p>As at 31 December 2025, the ARMC comprised solely INEDs (as detailed in Practice 9.4). This exceeds the Step Up expectation of a committee comprising a majority of independent directors.</p> <p>The ARMC supports the Board in overseeing the Group's risk management framework and policies, including reviewing material risk developments, selected business proposals, legal and regulatory matters, and emerging operational, financial and sustainability-related risks relevant to the Group's activities. Through this structure, the Board continues to maintain dedicated and independent oversight of the Group's risk management framework.</p>

### Intended Outcome

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

### Practice 11.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group continues to outsource its internal audit function to Sterling Business Alignment Consulting Sdn. Bhd. (“Sterling”), an independent professional firm. The outsourced internal auditors report functionally to the Audit and Risk Management Committee (“ARMC”) and have direct access to the Committee in carrying out their work. Administrative coordination through the Financial Controller is limited to operational and logistical matters and does not affect the independence or objectivity of the internal audit function.</p> <p>During FY2025, the Committee oversaw the internal audit function through, among others, the following:</p> <ul style="list-style-type: none"><li>• reviewing and approving the risk-based internal audit plan, taking into account the Group’s key risk areas and selected priority review areas for the year;</li><li>• reviewing internal audit reports, together with Management’s responses and proposed corrective actions, and monitoring progress on agreed remedial measures through follow-up status updates;</li><li>• carrying out an annual assessment of the outsourced internal auditors, covering, among others, their adequacy, independence, audit processes, competency and effectiveness; and</li><li>• maintaining oversight continuity before and after the consolidation of the Audit Committee (“AC”) and Risk Management Committee (“RMC”) into the ARMC on 1 July 2025.</li></ul> <p>Based on the assessment undertaken, the Committee was satisfied that the internal audit function remained independent, adequately resourced and effective, and that it continued to provide objective assurance to the Committee and the Board.</p>
<b>Explanation for departure</b>	:	

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

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

## Intended Outcome

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

## Practice 11.2

The board should disclose–

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Group's internal audit function is outsourced to Sterling Business Alignment Consulting Sdn. Bhd., and the relevant disclosures relating to its independence, resources, responsible person and professional framework are set out in the Statement on Risk Management and Internal Control ("SORMIC").</p> <p>In summary:</p> <ul style="list-style-type: none"><li>• <b>Independence and objectivity</b> The Board is satisfied that the personnel assigned to the outsourced internal audit function are free from any relationships or conflicts of interest that could impair their objectivity and independence. The then Audit Committee ("AC") had also reviewed the adequacy, independence and effectiveness of the outsourced internal audit function in Q1 2025 and was satisfied with the internal auditors' competency, knowledge, experience and independence.</li><li>• <b>Resources</b> For each internal audit review, the outsourced internal audit team comprises one Manager in charge, supported by two to three team members. The Audit and Risk Management Committee ("ARMC") also reviews whether the outsourced internal audit function has the appropriate competency, experience, standing and resources to carry out its work effectively.</li><li>• <b>Person responsible for internal audit</b> The internal audit engagement is led by Sterling's principal consultant, Dr. So Hsien Ying, who has more than 30 years of experience in corporate planning,</li></ul>

	<p>business process improvement, risk management, internal audit and internal control review. Dr. So holds a Doctor in Business Administration (Wales), a Master of Business Administration in Finance (Hull), and a Bachelor of Science in Economics (Hons) (London). She is also a Certified Internal Control Professional (US), a permanent member of the Internal Control Institute (US), an associate member of the Institute of Internal Auditors Malaysia (“IIAM”), and a member of the Malaysian Alliance of Corporate Directors.</p> <ul style="list-style-type: none"> <li>• <b>Recognised professional framework</b> In performing its work, the outsourced internal audit function applies recognised professional frameworks and standards. The Committee of Sponsoring Organizations of the Treadway Commission’s (“COSO”) Internal Control framework is used as the basis for evaluating the effectiveness of the Group’s internal control system, and reference is made to the International Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors.</li> </ul> <p>Through these disclosures, the Board provides transparency on the internal audit function and the basis on which its independence and effectiveness are maintained.</p>
<p><b>Explanation for departure</b> :</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><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	

### Intended Outcome

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

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

### Practice 12.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Communication with shareholders, investors and other stakeholders continued to be carried out through a combination of formal disclosures, the corporate website and shareholder engagement channels. The Board Charter provides that the Board shall maintain an effective communication policy that enables both the Board and Management to communicate effectively with shareholders, stakeholders and the general public. It also provides that general meetings serve as a key mechanism for shareholder communication and that the Company should maintain a current and informative website containing announcements made to Bursa Securities and relevant contact details for public queries.</p> <p>During FY2025, this was reflected through the following:</p> <ul style="list-style-type: none"><li>• <b>Bursa announcements and periodic disclosures</b> Material information, quarterly financial results, annual audited financial statements and the Annual Report were communicated through the appropriate regulatory disclosure channels, in line with the Company's disclosure obligations and governance framework. The Board Charter specifically provides for the immediate announcement of material information and prescribed events, as well as periodic announcement of financial statements and the Annual Report.</li><li>• <b>Corporate website</b> The Company's corporate website continued to serve as an important platform for communicating with stakeholders by making available governance documents, annual reports, financial information and announcements. The Board Charter further provides that the website should be current and informative and include a dedicated section under Investor Relations / Corporate Governance for relevant stakeholder information.</li><li>• <b>General meetings and shareholder participation</b> General meetings continued to serve as an important forum for dialogue with shareholders. The Board Charter</li></ul>

	<p>states that shareholders are to be provided with comprehensive and timely information, encouraged to participate actively at general meetings, and given the opportunity to raise questions on the Group’s business and financial matters, with Directors, Management and External Auditors in attendance to respond where appropriate. The Company’s 2025 Annual General Meeting (“AGM”) was held physically on 25 June 2025 at Iconic Hotel, Bukit Mertajam, Pulau Pinang.</p> <ul style="list-style-type: none"> <li> <b>Stakeholder engagement more broadly</b>            The FY2025 Sustainability Report also shows that the Group continued to communicate with wider stakeholder groups through channels such as the Annual Report, AGM, announcements, quarterly financial results, customer and supplier interactions, employee communication channels, and regulatory-related engagements, with insights from these engagements used to support management responses and disclosure development.         </li> </ul> <p>Through these channels, the Board seeks to support effective, transparent and regular communication with stakeholders and to facilitate informed engagement with the Company’s business, performance and governance matters.</p>	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**Intended Outcome**

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

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

**Practice 12.2**

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

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

### Intended Outcome

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

### Practice 13.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company continued to provide shareholders with sufficient time to consider the business of the Annual General Meeting (“AGM”), review the Annual Report and related meeting materials, and make the necessary arrangements to attend and participate in person, by proxy or by corporate representative. This is also consistent with the Board Charter, which states that notice of the AGM is to be dispatched to shareholders more than 28 days in advance.</p> <p>For the 2025 AGM held on 25 June 2025, the Notice of AGM was issued on 30 April 2025, which was well in excess of the 28-day period recommended under the Malaysian Code on Corporate Governance and the 21-day minimum notice period under the Companies Act 2016 and the ACE Market Listing Requirements.</p> <p>In addition, the Company’s letter to shareholders dated 30 April 2025 informed shareholders that the Annual Report 2024, Corporate Governance Report 2024, Notice of the 2025 AGM and Proxy Form, Administrative Guide and Annual Report Requisition Form were available on the Company’s website, and also provided channels for shareholders to request a printed copy of the Annual Report. This supported timely access to AGM-related information and facilitated informed shareholder participation.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 13.2

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>At the 2025 Annual General Meeting (“AGM”) (details of which are set out in Practice 12.1), present at the meeting were Datuk Johar Bin Che Mat (Chairman of the Board), Mr. Chin Yong Keong, Mr. Khong Chee Seong, Encik Kamaruddin Bin Kassim and Ms. Joyce Wong Ai May, together with the Company Secretary and representatives of the external auditors.</p> <p>However, Datin Soheir Binti Mohammad Khatib and Mr. Ngo Tong Seng were absent with apologies due to personal reasons. As not all Directors attended the AGM, the Company did not fully meet the expectation of this practice for FY2025.</p> <p>The Company ensured that the AGM was attended by the principal Board and Management representatives who were in a position to engage with shareholders on the Company’s affairs, namely the Chairman of the Board, the Group Chief Executive Officer (“Group CEO”), the Executive Director, and the chairpersons / relevant members of the key Board committees then in place. The Chairman also opened the Questions and Answers session to shareholders during the AGM.</p> <p>Although not all Directors were present, shareholders attending the AGM still had access to the Company’s key leadership representatives and were provided with an opportunity to raise questions and seek clarification on the Group’s business and the matters tabled. No questions were raised by shareholders during the AGM.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The 2025 AGM was conducted as a physical meeting. Shareholders who were unable to attend in person were able to appoint proxies or corporate representatives, and proxy forms could be lodged either in physical form or electronically through the Boardroom Smart Investor Portal. This facilitated voting in absentia. However, the Company did not provide remote shareholder participation at the AGM itself, and therefore did not fully apply this practice for FY2025.</p> <p>The Company facilitated shareholder voting through proxy appointment, including electronic proxy lodgement, and conducted all resolutions by poll. Boardroom Share Registrars Sdn. Bhd. was appointed as Poll Administrator and Sky Corporate Services Sdn. Bhd. as independent Scrutineers to ensure orderly and transparent tabulation of votes.</p> <p>This approach enabled shareholders who were unable to attend the physical AGM to still participate in the voting process through proxies, while supporting transparency and integrity in the poll voting process. The Company will continue to evaluate whether additional technological arrangements for remote participation can be adopted in future general meetings where appropriate.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairman of the Board presided over the 2025 Annual General Meeting ("AGM") held on 25 June 2025 and facilitated the conduct of the meeting in a manner intended to support direct engagement between the Board, senior management and shareholders. During the AGM, the Group Chief Executive Officer ("Group CEO"), Mr. Chin Yong Keong, presented an overview of the Group's financial status and future business prospects, including revenue performance, overseas contribution, margin movement and the Company's future growth strategies such as broadening the service portfolio and pursuing collaborations through joint ventures or mergers and acquisitions.</p> <p>Shareholders, proxies and representatives attending the AGM were given the opportunity to raise questions and seek clarification on the Group's business and the resolutions tabled. The Board Charter also provides that shareholders are to be given the opportunity to enquire and comment on matters relating to the Group's business, financial statements and other agenda items at the AGM, with Directors, Management and External Auditors in attendance to respond where appropriate.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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>	
<b>Application</b>	: Not Applicable – only physical general meetings were conducted in the financial year
<b>Explanation on application of the practice</b>	: This practice was not applicable in FY2025 as the Company’s 2025 Annual General Meeting (“AGM”) was held as a physical meeting. As the meetings were not conducted in a fully virtual or hybrid format, the matters relating to virtual-meeting infrastructure, smooth broadcast and visibility of shareholders’ questions to all participants during the meeting did not arise.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

**Intended Outcome**

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

**Practice 13.6**

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The Company ensures that the minutes of its general meetings are prepared accurately to provide a detailed and transparent account of the proceedings. Following the physical 2025 Annual General Meeting (“AGM”), the comprehensive meeting minutes—which included a record of the attendance, the key matters discussed, and the presentations made by the Group Chief Executive Officer (“Group CEO”)—were published and uploaded to the Company’s dedicated corporate website ( <a href="https://edelteq.com">https://edelteq.com</a> ). This publication was completed well within the stipulated 30 business days timeframe, allowing shareholders who could not attend the physical meetings to stay fully informed about the resolutions and Board actions.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

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

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

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