

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7076
COMPANY NAME : CB INDUSTRIAL PRODUCT HOLDING BERHAD
FINANCIAL YEAR : December 31, 2025

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group is headed by a Board who sets the strategic direction of the Group and ensures effective controls over the Group's activities whereby collective decisions and/or close monitoring are exercised on issues relating to strategy, performance, resources, standard of conduct and financial matters. The matters reserved for the collective decision of the Board are listed in the Board Charter of the Company which is available on the Company's website.</p> <p>The Board has delegated the day-to-day management of the Group to the Executive Directors who are assisted by the senior management team, and specific responsibilities to the Board Committees, which operate within their clearly defined Terms of Reference approved by the Board. The Board Committees report to the Board on key issues deliberated at their respective meetings and their recommendations thereon.</p> <p>The Board is responsible for the long-term success of the Group and the delivery of sustainable value to stakeholders. Hence, the primary role of the Board is to protect and enhance long-term stakeholder value.</p> <p>The Board's principal responsibilities include reviewing and adopting a strategic plan, overseeing the conduct of business, risk management, succession planning, developing business strategies, and other related matters.</p> <p>The roles and responsibilities of the Board are set out in the Board Charter, while the Board Committees' roles and responsibilities in discharging its functions are set out in the respective Board Committees' Terms of Reference.</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is chaired by Tengku Dato' Ardy Esfandiari Bin Tengku Abdul Hamid Shah, an Executive Director of the Company.</p> <p>The Chairman is committed to good corporate governance practices and has been leading the Board towards a culture of high performance. As provided under the Company's Board Charter, the Chairman is responsible for, among others:</p> <ol style="list-style-type: none"> a. leading the Board in setting the values and standards of the Company; b. maintaining a relationship of trust with and between the Executive and Non-Executive Directors; c. ensuring orderly conduct and proceeding of the Board and General Meetings and all Directors are properly briefed on issues arising at Board Meetings and receive complete and accurate information in a timely manner; d. ensuring effective contribution with the shareholders and relevant stakeholders; e. arranging regular evaluation of the performance of the Board, its committees and individual Directors; f. facilitating the effective contribution of Non-Executive Directors and ensuring constructive relations are maintained between Executive and Non-Executive Directors; and g. facilitating the ongoing development of all Directors.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The positions of Chairman and Managing Director (“MD”) are held by different individuals to ensure a balance of power, accountability, and responsibility. The distinct roles of the Chairman and the MD are clearly defined in the Board Charter of the Company.</p> <p>The Chairman is primarily responsible for matters pertaining to the Board and the overall conduct of the Group while the MD is responsible for the day-to-day management of the Company and the Group and assumes the overall responsibility of the Group’s operational activities and effectiveness as well as implement the Board’s policies and decisions. The MD reports to the Board at Board Meetings all material matters currently or potentially affecting the Group and its performance, including all strategic projects and regulatory development which might have an impact on the daily operations.</p> <p>All decisions of the Board are made unanimously or by consensus. The Board is satisfied and assured that no individual or group of Directors has unfettered powers of decision that could create a potential conflict of interest.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application	: Applied
Explanation on application of the practice	: Tengku Dato' Ardy Esfandiari Bin Tengku Abdul Hamid Shah, the Chairman of the Board is not a member of any Board Committees to ensure there is check and balance as well as objective review by the Board. The Chairman had not been invited to participate in any of the committee meetings and is not involved in the decision-making process of these committees.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by two (2) Company Secretaries during the year 2025 who are qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016. All Directors have unrestricted access to the advice and services of the Company Secretaries for the purposes of the Board's affairs and the business of the Group.</p> <p>The roles and responsibilities of the Company Secretaries include, but are not limited to, the following:</p> <ul style="list-style-type: none"> • attend and record minutes of Board, Board Committees and Shareholders' meetings • provide guidance to the Board in carrying out its roles and responsibilities; • advise the Board on corporate disclosures and compliance with Listing Requirements, the Company's Constitution, Companies Act 2016 and other relevant rules and regulations; • update the Board, from time to time, on changes in regulatory requirements, to ensure correct procedures are followed and the Company remains compliant with the relevant rules and regulatory requirements; and • monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board understands that the supply, timeliness and quality of the information affect the effectiveness of the Board to oversee the conduct of business of the Group and to evaluate the Management's performance. The Directors are supplied with relevant information and reports on financial, operational, corporate, regulatory, business development, and audit matters for decisions to be made on an informed basis for the effective discharge of the Board's responsibilities.</p> <p>All the Directors are furnished with the meeting papers including the meeting agenda at least seven (7) days prior to the Board and Board Committee meetings, to ensure that the Directors are given sufficient time to read the meeting papers and seek for further explanations and/or information from the Senior Management, where necessary, so that deliberations at the meeting are focused and constructive. Senior Management and external advisers are invited to attend Board meetings to provide additional insights and professional views, advice and explanations on specific items on the meeting agenda.</p> <p>Deliberations and decisions made at Board and Board Committees meetings are well documented in the minutes, including matters where Directors abstained from voting or deliberation. The draft minutes are circulated to the Directors and Board Committees members for perusal and comment, thereafter, for confirmation at the following meeting. The signed minutes are then entered into the minutes books and kept at the office of the Company Secretaries.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is guided by its Board Charter which clearly sets out the Board's roles and responsibilities in discharging its fiduciary and leadership functions.</p> <p>To enhance accountability, the Board has established clear functions reserved for the Board, Board Committees, individual Directors and Management. There is a formal schedule for matters reserved to the Board for its deliberation and decision to ensure the direction and control of the Company are in its hands.</p> <p>The Board Charter provides guidance for Directors and Management regarding the responsibilities of the Board, Board Chairman, Board Committees, Executive Directors and Non-Executive Directors as well as the requirements of Directors in carrying out their stewardship role and in discharging their duties towards the Company.</p> <p>The Board Charter will be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the Board's responsibilities in discharging its governance function.</p> <p>The Board Charter was last reviewed and updated on 26 February 2026. The Board Charter is available on the Company's website at https://cbip.com.my/corporate-governance/.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group is committed to achieving and monitoring high standards pertaining to behaviour at work.</p> <p>The Board adhered strictly to the Corporate Code of Business Conduct and Work Ethics Policy for Directors, Senior Management and Employees ("Corporate Code") in discharging its oversight role effectively. The Corporate Code requires all Directors, Senior Management and Employees of the Group to observe high ethical business standards, and to apply these values to all aspects of the Group's business and professional practice, and to act in good faith in the best interests of the Group and its shareholders.</p> <p>The Group has established and implemented the Anti-Corruption and Bribery Policy which applies to all Directors and employees of the Group. This policy supplements the Corporate Code and serves as a control measure to address and manage the risk of fraud, bribery, corruption, misconduct, and unethical practices for the benefit of the long-term success of the Company and provides the basis on which the Company will be able to defend itself against any corruption charges that may be brought against the Company.</p> <p>Additionally, the Group has adopted the Conflict of Interest ("COI") Policy for the Directors, Key Senior Management and Legal Representatives. This policy aims to effectively identify, address and manage the COI situations, including those that are actual, potential, or perceived in nature. It also serves as a guide to the Board in fulfilling its role of providing insight and review of COI situations that may arise within the Group.</p> <p>The Corporate Code, Anti-Corruption and Bribery Policy and COI Policy are available on the Company's website.</p>
Explanation for departure	:	

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

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has adopted a Whistleblower Policy for the Group as a measure to promote the highest standard of corporate governance and transparency. The Whistleblower Policy outlines the avenues for employees and stakeholders to raise concerns or disclose in good faith any improper conduct within the Group and to enable prompt corrective actions and measures to resolve them effectively.</p> <p>Any party who has a reasonable belief that there is serious malpractice relating to the matter disclosed, may direct such a complaint and report to the Senior Independent Non-Executive Director, who is the Chairman of the Audit and Risk Management Committee, in writing.</p> <p>The Company will ensure that any employees who raises a genuine complaint in good faith shall not be penalised for such disclosure and the identity of such complainant shall be kept confidential.</p> <p>The Whistleblower Policy is available on the Company’s website.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has in place a Sustainability Governance Structure in which the Board represents the highest authority and is accountable for managing sustainability strategies, material sustainability matters, policies and targets of the Group. In addition, the Board ensures that Environmental, Social and Governance (“ESG”) related risks and opportunities are integrated into the risk management strategy.</p> <p>The Board Sustainability Committee (“BSC”) led by Datin Chua Suat Khim reports to the Board on the sustainability matters. The BSC focuses on strategic management of material sustainability matters, assessment and mitigation of ESG-related risks, monitoring of the Group's sustainability performance while facilitating stakeholder engagement. The BSC is assisted by Management Sustainability Committee which is spearheaded by Mr. Lim Zee Ping and its members are made up of the Head of the respective business segments and is tasked with executing the Company's strategies and initiatives regarding the day-to-day operations, as well as collecting ESG-related data for sustainability reporting.</p> <p>The Board is committed to making sustainability an integral component of the Group's business conduct. A sustainability framework that is in line with the industry's best practices as well as the Group's vision and mission was established in the year 2021. The sustainability framework incorporated four core pillars and focus areas i.e., Investors, Market Leadership, Climate Resilience and Workforce with four material sustainability matters such as Peace, Prosperity and Partnership, Planet and People, which re-in-force the Company's long-term commitment towards sustainable business practices.</p> <p>The sustainability practices of the Group are disclosed in the Sustainability Statement of the Company's Annual Report, which is reviewed and approved by the Board.</p>

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

Intended Outcome

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

Practice 4.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group recognises the importance of stakeholder engagement with both internal and external stakeholders and all the businesses and functional units are empowered by the Group to regularly engage with their respective stakeholders to ensure that material issues impacting stakeholders' interests are addressed in the practices and business strategies.</p> <p>The Company had engaged with the stakeholders such as Shareholders and Investors, Regulatory Agencies, Customers, Suppliers and Employees, etc to ensure that the Board manage the stakeholders' expectation and satisfaction for the Company's sustainability growth.</p> <p>The sustainability measures and form of engagement with the stakeholders are disclosed in the Sustainability Statement of the annual report to the stakeholders.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board recognises the importance of its members having an adequate understanding of the industry issues that may pose a threat to the sustainability of the Group’s business and that they should possess the appropriate skills and experience to manage those risks.</p> <p>The Board, with the assistance of the Nomination and Remuneration Committee, reviews the training needs of the Directors and the composition of the Board to ensure the Directors are ESG competent, keep abreast with market trends, changes in the regulatory climate, and ensure the Board has a mix of financial, legal, management, sustainability, and other backgrounds that could provide the Company with considerable experience in various aspects when working in synergy.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	The Board had included an assessment of the Board’s oversights of sustainability risks and opportunities, issues that are critical to the Group’s performance as well as the evaluation of the Group’s strategic priorities and business plans which promote sustainability, into the performance evaluation of the Board and Board Committee	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Adopted
Explanation on adoption of the practice	:	The Deputy Managing Director, Mr. Lim Zee Ping, has been appointed as the Chairman of the Management Sustainability Committee who shall be responsible in managing the Group's sustainability efforts strategically.

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Nomination and Remuneration Committee (“NRC”) is responsible to oversee and review on an on-going basis, the overall composition of the Board in term of size, the required mix of skills, experience and other qualities and core competencies for the Directors of the Company.</p> <p>The effectiveness of the Board as a whole and the contribution and performance of each individual Director to the effectiveness of the Board and the Board Committees will also be assessed by the NRC on an annual basis.</p> <p>The NRC is also responsible for recommending to the Board, Directors who are standing for re-election at the Annual General Meeting, subject to the NRC being satisfied with the performance of the affected Directors based on the Board annual performance evaluation and Fit and Proper Policy as a guide to the NRC in conducting the relevant Board assessment. The NRC not only focused on the evaluation results but also other areas such as skills, experience, professionalism, integrity, character and time commitment.</p> <p>In February 2026, the NRC, after taking into account the satisfactory performance and contributions of the following Directors and the fit and proper criteria of Director as outlined in the Company’s Fit and Proper Policy, recommended their re-election to the Board at the Twenty-Ninth Annual General Meeting (“29th AGM”) scheduled to be held on 26 May 2026:</p> <ul style="list-style-type: none">A. Mr. Lim Chai Huat; andB. Ms. Karpanadevi A/P K R Somasundram.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>As at 31 December 2025, the Board consists of seven (7) members. There are only three (3) Independent Non-Executive Directors, representing 43% of the Board members.</p> <p>The Board are recognisant of the recommendation by the MCCG for at least half of the Board to comprise Independent Directors and will continue to explore and identify suitable candidates for appointment to the Board as Independent Directors based on merit, competence and contribution that each potential candidate can bring to further strengthen the Board.</p> <p>Although less than half of the Board comprises of Independent Directors, the Board believes that the goal of independence and objectivity in such practice is not compromised as a result of such composition. In fact, the Board is of the view that independence and objectivity are present and preserved with the current set of Directors in view of the weight given to the opinions of its three (3) Independent Non-Executive Directors, which brings the necessary checks and balance in the Board's decision-making process.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied									
Explanation on application of the practice	:	As at 31 December 2025, none of the Independent Directors had served on the board as an independent Director for more than nine (9) years. The tenure of each Independent Director as at the date of the issuance of this report is as follow:									
		<table border="1"><thead><tr><th>Name of Director</th><th>Tenure (as at April 2026)</th></tr></thead><tbody><tr><td>Karpanadevi A/P K R Somasundram</td><td>6 years 5 months</td></tr><tr><td>Lee Poi Keong</td><td>4 years 8 months</td></tr><tr><td>Datin Chua Suat Khim</td><td>2 year 5 months</td></tr></tbody></table>	Name of Director	Tenure (as at April 2026)	Karpanadevi A/P K R Somasundram	6 years 5 months	Lee Poi Keong	4 years 8 months	Datin Chua Suat Khim	2 year 5 months	
Name of Director	Tenure (as at April 2026)										
Karpanadevi A/P K R Somasundram	6 years 5 months										
Lee Poi Keong	4 years 8 months										
Datin Chua Suat Khim	2 year 5 months										
Explanation for departure	:										
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>											
Measure	:										
Timeframe	:										

Intended Outcome

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

Practice 5.4 - Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board appoints its members through a formal and transparent selection process, whereby new appointees are considered and evaluated by the Nomination and Remuneration Committee (“NRC”) with the guidance of the Director’s Fit and Proper Policy. Once the NRC is reasonably satisfied with the candidate shortlisted, the NRC will then recommend the candidate to be approved and appointed by the Board.</p> <p>The Group has adopted a policy of non-discrimination of any form, whether based on race, age, religion, and gender, throughout the organisation, in the selection of Board members and Senior Management.</p> <p>The Board encourages a dynamic and diverse composition by nurturing suitable and potential candidates equipped with competency, skills, experience, character, time commitment, integrity, and other qualities necessary to meet the future needs of the Company. Notwithstanding the challenges in achieving the appropriate level of diversity on the Board, the Board is continuing to work towards addressing this as and when vacancies arise, and suitable candidates are identified. The Company’s prime responsibility in new appointments is always to select the best candidates available.</p> <p>The Board will endeavour to achieve diversity in the Board and Senior Management level. Currently, there are two (2) female Directors on the Board and one (1) female representation at the Senior Management level.</p> <p>To ensure the Directors have sufficient time to focus and fulfil their roles and responsibilities effectively, the Directors must not hold more than five (5) directorships in public listed companies.</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Nomination and Remuneration Committee (“NRC”) is responsible for overseeing the selection and assessment of Directors. The NRC will assess the capabilities, qualities and commitment of the potential candidates based on the Director’s Fit and Proper Policy.</p> <p>The NRC also ensures the potential candidates possess the appropriate skills, core competences and experiences to discharge their role as directors prior to recommending the same to the Board for approval.</p> <p>In considering a new appointment to the Board, the NRC takes into consideration the diversity of the Board, in terms of gender, age, ethnicity, professionalism, skill, background, character, competence, and integrity.</p> <p>In identifying the candidates for appointment to the Board, other than solely relying on the recommendations from existing Board members, Management and/or Major Shareholders, the NRC also explore independent sources such as Institute of Corporate Directors Malaysia, Lead Women, etc to identify suitably qualified candidates. The Board is allowed by the Board Charter to use a variety of approaches and sources to ensure that it is able to identify the most suitable candidates and will consider independent sources as and when required.</p> <p>There was no new appointment of director during the financial year.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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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 5.7

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

Application	:	Applied	
Explanation on application of the practice	:	The details of the directors who will retire and eligible for re-election at the upcoming 29 th AGM, as well as the statement by the Board and Nomination and Remuneration Committee that they are satisfied with the performance and effectiveness of the retiring directors, is set out on page 77 of the Corporate Governance Overview Statement	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The Nomination and Remuneration Committee is chaired by Ms Karpanadevi A/P K R Somasundram, who is an Independent Non-Executive Director.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	During the financial year ended 31 December 2025, the Board had two (2) female Directors, namely Ms. Karpanadevi A/P K R Somasundram and Datin Chua Suat Khim. This equates to 28.57% of the women directors on a board of seven (7) directors.	
		The Board recognises the target of at least 30% women directors and shall take the necessary steps to increase the number of female Directors on Board.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 5.10

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

Application	:	Applied	
Explanation on application of the practice	:	The Board has adopted a Board Diversity Policy and has, through the Nomination and Remuneration Committee considered gender diversity as part of its future selection of candidates for Board and Senior Management positions and will look into increasing female representation on the Board and Senior Management. The Board Diversity Policy is available on the Company's website	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The Nomination and Remuneration Committee (“NRC”) carries out an evaluation process annually to assess the effectiveness of the Board as a whole, Board Committees and to assess the contributions of each individual Directors including the independence of Independent Directors.</p> <p>The assessment of the Board is based on specific criteria, covering areas such as the Board structure, Board operations, roles and responsibilities of the Board, the Board Committees and the Chairman’s roles and responsibilities. As for the Individual Director self-assessment, the assessment criteria include contribution to interaction, quality of input, understanding of role and time commitment. The results of the assessment would form the basis of the NRC’s recommendation to the Board for the re-election of the retiring Directors at the next AGM.</p> <p>For the financial year ended 31 December 2025, the NRC conducted an annual assessment on the Board’s effectiveness as a whole, performance of the Board Committees, peer performance assessment for each Director and Independence of the Independent Directors.</p> <p>The Board Evaluation forms were prepared by the Company Secretary and sent to Directors to conduct the annual assessment of Directors. The results of the assessment were then compiled by the Company Secretary and summaries of the evaluations were tabled to the NRC and the Board for review and deliberation on 23 February 2026 and 26 February 2026 respectively.</p> <p>From the results of the assessment, the NRC was satisfied with the existing Board composition and was of the view that the Directors and Board Committees of the Company had discharged their responsibilities in a commendable manner and had performed competently and effectively</p>

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

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has in place a Group Remuneration Policy for Directors and Key Senior Management to ensure that the Company's remuneration package remains supportive of the Company's corporate objectives and is aligned with the interests of shareholders and, further that the remuneration packages of Directors and Key Senior Management are sufficiently attractive to attract and retain persons of high calibre.</p> <p>The remuneration package of the Non-Executive Directors is in the form of an annual Directors' fee, meeting allowances and other emoluments which reflect the diverse experience, skill set, and level of responsibilities expected of the Independent Non-Executive Directors concerned.</p> <p>The remuneration of each Executive Director is structured to reflect his experience, scope of responsibilities and performance against the key performance indicators ("KPI") tailored to the business segment of the respective Executive Director as well as the overall performance of the Group.</p> <p>The remuneration package of the Key Senior Management is in the form of a salary, benefit-in-kind, and performance-based bonus against their KPI. The Group Remuneration Policy was reviewed on 28 February 2023 and is made available at the Company's website.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established a Nomination and Remuneration Committee ("NRC") which comprised exclusively of Non-Executive Directors. The NRC is responsible for recommending to the Board, the remuneration of the Directors and Senior Management according to the Remuneration Policy of the Group.</p> <p>The NRC meets at least once a year to review and recommend the Board's remuneration package that reflect their respective contribution during the year.</p> <p>The Company has in place a Group Remuneration Policy that is designed to serve as a transparent approach and guidance for the Board to strategize and implement the long-term human capital development programme and retention packages for Board members and Key Management. A copy of the Group Remuneration Policy is available on the Company's corporate website.</p> <p>During the financial year 2025, the NRC met twice to review and assess the remuneration package of the Board members and Senior Management taking into consideration the skills, expertise, composition, size, and experience of the Board, including the core competencies of both Executive and Non-Executive Directors and the contribution of each individual Director.</p> <p>The NRC is governed by written Terms of Reference which deal with its authority and duties. The Terms of Reference of the NRC is available on the Company's website.</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The aggregate remuneration paid or payable to all Directors of the Company during the financial year 2025 is listed on a named basis in the table below.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Tengku Dato' Ardy Esfandiari Bin Tengku Abdul Hamid Shah	Executive Director	-	29	-	-	-	-	29	24	29	276	-	7	12	348
2	Datuk Lim Chai Beng	Executive Director	-	28	-	-	-	-	28	24	40	912	190	28	45	1,239
3	Lim Zee Ping	Executive Director	-	30	-	-	-	-	30	-	66	460	75	-	70	671
4	Lim Chai Huat	Non-Executive Non-Independent Director	65	38	-	-	-	-	103	-	-	-	-	-	-	-
5	Karpanadevi A/P K R Somasundram	Independent Director	67	38	-	-	-	-	105	-	-	-	-	-	-	-
6	Lee Poi Keong	Independent Director	69	37	-	-	-	-	106	-	-	-	-	-	-	-
7	Datin Chua Suat Khim	Independent Director	67	38	-	-	-	-	105	-	-	-	-	-	-	-
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
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Intended Outcome

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

Practice 8.2

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

Application	:	Departure										
Explanation on application of the practice	:											
Explanation for departure	:	<p>With the requirement to disclose the remuneration of the top five Senior Management on a named basis, the Board is concerned that the top named five Senior Management personnel might run the risk of being approached by the Company's competitors.</p> <p>The Board considered the information regarding the remuneration of the Senior Management personnel to be confidential and proprietary in view of the competitive nature of the human resource market and to support the Company's efforts in retaining executive talents.</p> <p>The top five Senior Management's remuneration have been disclosed on a no-name basis in bands of RM50,000 under the Corporate Governance Overview Statement in the Company's Annual Report 2025 as follows:</p> <table border="1"> <thead> <tr> <th>Range of Remuneration</th> <th>Top Five Senior Management</th> </tr> </thead> <tbody> <tr> <td>RM250,001 to RM300,000</td> <td>1</td> </tr> <tr> <td>RM300,001 to RM350,000</td> <td>2</td> </tr> <tr> <td>RM600,001 to RM650,000</td> <td>1</td> </tr> <tr> <td>RM850,001 to RM900,000</td> <td>1</td> </tr> </tbody> </table>	Range of Remuneration	Top Five Senior Management	RM250,001 to RM300,000	1	RM300,001 to RM350,000	2	RM600,001 to RM650,000	1	RM850,001 to RM900,000	1
Range of Remuneration	Top Five Senior Management											
RM250,001 to RM300,000	1											
RM300,001 to RM350,000	2											
RM600,001 to RM650,000	1											
RM850,001 to RM900,000	1											
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>												
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.										
Timeframe	:	Choose an item.										

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>During the financial year ended 31 December 2025, the Audit and Risk Management Committee (“ARMC”) was chaired by Mr. Lee Poi Keong.</p> <p>Mr. Lee Poi Keong is not the Chairman of the Board. This is to ensure that the objectivity of the Board’s view of the ARMC’s finding, and recommendation is not impaired.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The cooling-off period required to be observed for the appointment of a former key audit partner before appointed as a member of the Audit and Risk Management Committee ("ARMC") is at least three (3) years, as contained in the Terms of Reference ("TOR") of the ARMC. The TOR of the ARMC is available on the Company's website.</p> <p>Currently, no former key audit partner of the external auditors of the Company has been appointed as a member of the Board or ARMC.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The annual assessment of the competency and independence of the External Auditors ("EA") was conducted by the Audit and Risk Management Committee ("ARMC") via a set of assessment questionnaires.</p> <p>In assessing the EA's performance and suitability, the ARMC considered, inter-alia, the independence, objectivity, professionalism, quality of services, sufficiency of resources, and communication and interaction with the external auditors. The ARMC also reviews and recommends the remuneration of the EA to the Board for approval.</p> <p>The ARMC receives assurance from the EA annually confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out in the By-Laws (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accounts.</p> <p>Based on the outcome of the annual assessment conducted on 25 February 2026 on the EA's performance, technical competence, and professional independence, the ARMC recommended to the Board the re-appointment of Messrs. Crowe Malaysia PLT as the EA of the Company for the financial year ending 31 December 2026.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied	
Explanation on application of the practice	:	All members of the Audit and Risk Management Committee (" ARMC ") are financially literate and assist the Board to oversee and scrutinise the process and quality of the financial reporting and ensure accuracy, adequacy, and completeness of the report, as well as compliance with the relevant accounting standards. The ARMC members will continue to undertake continuous professional development and have an annual discussion with the External Auditors on financial reporting development to keep themselves abreast with the relevant developments in accounting and auditing standards, practices and rules.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board had established a sound risk management and internal control framework to safeguard the Group’s assets and minimise the loss and liabilities. The Board is responsible for maintaining a sound system of risk management and internal control practices. Reviewing the adequacy and integrity of the internal control system has been delegated to the Audit and Risk Management Committee (“ARMC”).</p> <p>The ARMC had reviewed and revamped the prevailing risk management framework with the view of reflecting the rationalised strategic direction of the Group. The revamped risk management framework has simplified the process of risk identification and ongoing monitoring of identified risks to improve the effectiveness of the risk management framework.</p> <p>As part of the company's risk management and internal control framework, a Risk Management Committee chaired by the Managing Director and comprised the respective Heads of Key Operating Subsidiaries who are responsible for managing risks related to their functions on a day-to-day basis was established.</p> <p>The Board has been integrating the risk issues into their decision-making process whilst maintaining the flexibility to lead the business of the Group through the ever-changing internal and external environments. The Board continues to maintain and review its internal control procedures to ensure the protection of its assets and its shareholders’ investment.</p> <p>The detailed information on the Company’s risk management and internal control is set out in the Statement on Risk Management and Internal Control which is included in the Annual Report 2025.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises that the identification, evaluation, and management of significant risks faced by the Group is an ongoing process. Continuous reviews are carried out by the Group Internal Audit Department ("GIA") and Management to identify, evaluate, monitor, and manage significant risks affecting the business and ensure that adequate and effective controls are in place.</p> <p>Throughout 2025, the GIA update the Audit and Risk Management Committee ("ARMC") quarterly on the status of implementation of identified risks, the management action plans to mitigate significant business or operating risks of the Group and whether the controls put into effect by the Management are sufficient and effective in mitigating the identified risks. The ARMC would highlight to the Board the progress of the significant risks identified in the scheduled quarterly meetings.</p> <p>On a quarterly basis, the GIA table the results of their review of the business processes of different operating units to the ARMC. The status of the implementation of corrective actions to address control weaknesses is also followed up by the Internal Auditors to ensure that these actions have been satisfactorily implemented.</p> <p>Based on the internal audit reviews conducted during the financial year 2025, none of the weaknesses noted have resulted in any material losses or liabilities that would require a separate disclosure in this Annual Report.</p> <p>The Board has received assurance from the Managing Director and Chief Financial Officer that the Group's risk management and internal control systems have been operating adequately and effectively, in all material aspects, during the financial year under review and up to the date of this Report.</p> <p>Based on this assurance, the input from relevant assurance providers, as well as its review, the Board is of the view that the Group's risk management and internal control system are adequate and effective to meet the Group's needs and have not resulted in any material losses,</p>

	contingencies, or uncertainties that require disclosure in the Group's Annual Report.	
	The Statement on Risk Management and Internal Control included in the Annual Report 2025 provides an overview of the risk management and internal control framework adopted by the Company.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	The Audit and Risk Management Committee shall oversee the Company and Group's risk management framework and policy.

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group Internal Audit ("GIA") Department performs the Internal Audit Function to assist the Audit and Risk Management Committee ("ARMC") and the Board in providing an independent assessment and objective assurance on the Group's risk management and internal control system. The GIA Department is independent of the business activities and operations of the Group and reports directly to the ARMC.</p> <p>During the financial year 2025, the Head of the GIA Department reported directly to the ARMC on the outcome of its appraisal of the status of the group's risk management and system of internal control. The internal audit reports were presented to the ARMC on a quarterly basis to review the audit findings and action plans taken by the Management to address the internal audit findings and issues raised, which were subsequently reported upward to the Board by the ARMC.</p> <p>The GIA Department also conducts follow-up checks to ensure Management has taken action to rectify and correct the weaknesses and improve internal control processes. The ARMC monitors and reviews the effectiveness of the internal audit activities regularly, thereby ensuring that these activities contribute to the ongoing effectiveness of the Internal Audit Function.</p> <p>The summary of activities of the Internal Audit Function is set out in the Audit and Risk Management Committee Report of the Annual Report 2025.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 11.2

The board should disclose—

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group Internal Audit (“GIA”) Department is staffed with two (2) Internal Audit Staff, based in Malaysia and Indonesia respectively, who are free from any relationship or conflict of interest, which could impair their objectivity and independence.</p> <p>The GIA Department has adopted professional guidance such as the International Professional Practices Framework (“IPPF”) and COSO’s Internal Control—Integrated Framework as references during the conduct of internal audits.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of an effective communication channel between the Board, shareholders and the general public, and at the same time, full compliance with the disclosure requirements as set out in the Listing Requirements.</p> <p>The annual reports, press releases, quarterly results, and any announcements on material corporate exercises are the primary modes of disseminating information on the Group's business activities and financial performance.</p> <p>The Group maintains a website at www.cbip.com.my for shareholders and the public to access information on, amongst others, the Group's background and products, investor relations matters, etc.</p> <p>Stakeholders can communicate with the Company on investor relations matters via the dedicated email published on the corporate website and/or direct their issues and concerns to the Senior Independent Director.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>In 2025, the Notice of the 28th Annual General Meeting (“28th AGM”) was sent to the shareholders at least 28 days before the date of the 28th AGM, which gives sufficient time for the shareholders to make the necessary arrangements to attend and participate in person or by corporate representatives or proxies, and consider the resolutions that will be discussed and decided at the 28th AGM.</p> <p>The Notice of the 28th AGM was accompanied by Proxy Form, which provides the shareholders with information on the details of the 28th AGM, their entitlement to attend the meeting, their rights to appoint a proxy and the eligibility to appoint proxy.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.2

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

Application	:	Applied
Explanation on application of the practice	:	All Directors, including the Chair of the Audit and Risk Management Committee, Nomination and Remuneration Committee and Board Sustainability Committee, attended the Company's 28 th AGM held on 30 May 2025. Besides, the Chief Financial Officer ("CFO") and the External Auditors were also in attendance to answer questions raised by shareholders. At the 28 th AGM, Mr. Lim Zee Ping, the Deputy Managing Director, shared with the shareholders the overall performance for the year under review and the prospects of the Group prior to the commencement of the 28 th AGM.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The 28 th AGM of the Company was held physically to facilitate face-to-face engagement, foster stronger communication with the Company's shareholders and stakeholders.	
		However, the Management always ensure that the Annual General Meeting ("AGM") is convened at a venue that is easily accessible. Those shareholders who are unable to attend and vote at the AGM is entitled to appoint any person(s) as their proxy(ies) to attend, participate and vote on their behalf at the AGM, in accordance with the Company's Constitution.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application :	Applied
Explanation on application of the practice :	<p>The Board recognises the importance of general meetings as an effective platform for fostering meaningful communication between the Board, Senior Management and Shareholders.</p> <p>At the 28th AGM of the Company, the Chairman ensured that adequate time and opportunities were provided for shareholders to express their views and to raise questions to the Directors and Senior Management in relation to the affairs of the Company.</p> <p>During the 28th AGM held on 30 May 2025, shareholders were given sufficient time to pose questions, and the Directors actively responded to the queries raised during the meeting. Representatives from the External Auditors, Messrs. Crowe Malaysia PLT, were also present at the 28th AGM to assist the Board in addressing any relevant questions relating to the conduct of the audit and the preparation and content of the Auditors' Report.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application :	Not applicable – only physical general meetings were conducted in the financial year
Explanation on application of the practice :	
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The Minutes of the 28 th AGM, together with the questions raised and responses provided during the meeting, were made available on the Company's website at www.cbip.com.my within thirty (30) business days after the conclusion of the 28 th AGM.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

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

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

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