

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0328
COMPANY NAME : 3REN Berhad
FINANCIAL YEAR : December 31, 2024

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board of Directors ("Board") of 3REN Berhad ("3REN" or "the Company") is responsible for steering the business, directing the policies and formulation of strategic plans which are aimed towards strengthening and enhancing the shareholders' value and to meet its vision and objectives.</p> <p>The Board has established clear roles and responsibilities for its fiduciary and leadership functions of the Board, the Chairman, Chief Executive Officer ("CEO") and Directors in its Board Charter which was approved by the Board on 22 March 2024.</p> <p>The Board has established Audit and Risk Management Committee ("ARMC"), Nomination Committee ("NC"), and Remuneration Committee ("RC") to provide greater attention and objectivity in deliberating specific Board agendas. The Board has defined the Terms of Reference ("TOR") for each Committee. The Chairperson of the respective Board Committees will report on pertinent matters and the outcome deliberated by each Committee to the Board for further action and approval.</p> <p>The Board has defined its Code of Conduct and Ethics to guide the stakeholders on the ethical behaviours to be expected from 3REN and its wholly-owned subsidiaries ("the Group") and to instil such values into the organisation.</p> <p>The Group has also put in place the Anti-Bribery and Anti-Corruption Policy, and the Whistleblowing Policy to set out the organization's position in the prevention of bribery and corruption in the Group's business activities.</p> <p>The Group has also adopted and implemented the Directors' Fit and Proper Policy which outlines the requirements of a director's character and integrity, competence and capability, and time and commitment</p> |

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| | to discharge their roles effectively. Accordingly, the Board candidates and Directors seeking re-election will be assessed based on provisions in this Policy. | |
| Explanation for departure | : | |
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| <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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | <p>Dato’ Boonler Somchit was appointed as the Non-Independent Non-Executive Chairman of the Board and his profile is outlined under the Profile of Directors in the Annual Report 2024. He is mainly responsible for instilling good corporate governance practices and overseeing the effectiveness operation and leadership of the Board.</p> <p>The Chairman ensures that every Board resolution is put to vote with the will of the majority to prevail. He will chair the general meetings and ensure that the conduct of the same is in order by ensuring proper flow of resolutions tabled at these meetings and managing communication from shareholders.</p> <p>The role of Chairman is provisioned into Board Charter which was approved by the Board on 22 March 2024.</p> | |
| Explanation for departure | : | | |
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| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 1.3

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

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| Application | : | Applied | |
| Explanation on application of the practice | : | The positions of Chairman and CEO are held by different individuals, namely by Dato' Boonler Somchit as the Non-Independent Non-Executive Chairman and Mr. Koh Dim Kuan as the Executive Director/CEO. | |
| Explanation for departure | : | | |
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| <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

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| <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 | : | Dato' Boonler Somchit is the Non-Independent Non-Executive Chairman of the Board and he is not a member of the ARMC, NC and RC. |
| Explanation for departure | : | |
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| <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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board is supported by a suitably qualified and competent Company Secretary, Ms. Ong Tze-En (MAICSA 7026537) (SSM PC No. 202008003397). The Company Secretary is competent, qualified and capable of carrying out her duties and providing support to the Board in the discharge of their fiduciary duties.</p> <p>The Board members have full access to the advice and services of the Company Secretary especially on matters relating to procedural and regulatory requirements.</p> <p>The Company Secretary assists and updates the Board on matters related to the Company's Constitution, policies and procedures and compliance with the relevant regulatory requirements, codes of guidance and legislations.</p> <p>Other roles of the Company Secretary included coordinating with management on the preparation of Board papers, ensuring Board procedures and applicable rules are observed and maintaining records of the Board as well as provide timely dissemination of information relevant to the Directors' roles and functions and keeping them updated on evolving regulatory requirements.</p> |
| Explanation for departure | : | |
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| <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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The Board papers will be circulated to the Board at least 7 days in advance to ensure that sufficient time is given to the Board to analyse and deliberate pertinent issues, seek clarification from management, consult the Company Secretary or other relevant third parties in order to carry out an effective discussion during the Board meetings.</p> <p>Senior management team members will be invited to attend the Board meetings to report on their areas of responsibilities and provide updates and recommendations.</p> <p>Upon conclusion of each meeting, the Company Secretary will ensure that important issues that are raised, deliberations and outcome of the decisions made by the Board are properly and accurately recorded in the minutes of the meeting. The minutes of such meetings shall be finalised and circulated to the Board in a timely manner.</p> | |
| Explanation for departure | : | | |
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| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

There is 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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board has formally adopted its Board Charter on 22 March 2024 setting out the roles, functions, duties and responsibilities of the Board and the Board Committees.</p> <p>The roles, duties, and responsibilities of the Board Committees, namely the Audit and Risk Management Committee, Nomination Committee, and Remuneration Committee have been defined clearly in the TOR for the respective committees.</p> <p>The Board Charter and respective Board Committee's TOR will be reviewed on a periodic basis by the Board to ensure that the Board and Board Committees are aware of the updated roles and responsibilities when discharging their duties.</p> <p>The Board Charter and TORs of each Board Committee are published on the Company's official website at www.3ren.com.my.</p> |
| Explanation for departure | : | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
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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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Company has in place the Code of Conduct and Ethics for the Directors and employees of the Group. This Code of Conduct and Ethics covers the Company's core values and responsibilities which will serve as a guide for the regulations of conduct and ethics for all Directors, management and employees in their discharge of their duties. It covers the areas of transparency, integrity, accountability, conflicts of interest, anti-corruption/bribery, insider trading and compliance with laws, rules and regulations.</p> <p>The Code of Conduct and Ethics will be reviewed by the Board on a periodic basis.</p> <p>The Company has also adopted the Anti-Bribery and Anti-Corruption Policy ("ABAC Policy") in compliance with the Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018. The adoption of the ABAC Policy signalled commitment by the Board and the Group to conduct all businesses in an honest and ethical manner requiring all Directors and employees to act professionally, fairly and with integrity in all our business dealings and relationships. The ABAC Policy sets out adequate procedures designed to prevent situations in which bribery and corrupt practices may take root.</p> <p>The Code of Conduct and Ethics is available on the Company's official website at www.3ren.com.my.</p> |
| Explanation for departure | : | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
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| 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 3.2

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

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| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The Board has formalised a Whistleblowing Policy to provide a safe and confidential avenue for the reporting of any malpractice, illegal activities, corruption, unethical behaviour, criminal offences and improper conduct within the Company. This Whistleblowing policy offers protection against the reporting parties from any reprisals or unfair treatment.</p> <p>The Whistleblowing Policy, which contains policies and procedures for managing misconducts and malpractices for reporting by the whistle blower is approved by the Board on 22 March 2024 for adoption.</p> <p>The Whistleblowing Policy is available on the Company’s website at www.3ren.com.my.</p> | |
| Explanation for departure | : | | |
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| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. | | | |
| Measure | : | | |
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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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The role of the Board is defined in the Board Charter which was approved by the Board on 22 March 2024.</p> <p>In addition, the Sustainability Policy was approved by the Board for the Board's and Senior Management's reference and adherence.</p> <p>The Board set long-term and short-term targets for its sustainability efforts. Further details on the sustainability governance structure are provided in the Sustainability Statement in the Annual Report 2024.</p> <p>The Board Charter and Sustainability Policy are available on the Company's website at www.3ren.com.my.</p> |
| Explanation for departure | : | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
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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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The role of the Board is provisioned in the Board Charter which was approved by the Board on 22 March 2024.</p> <p>The Group will engage in dialogues and discussions with the relevant stakeholders in order to develop sustainability initiatives and targets and communicate this to the Group's 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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The role of the Board is provisioned in the Board Charter which was approved by the Board on 22 March 2024.</p> <p>The Board is committed to keeping abreast with the latest development in the sustainability issues relevant to the Group.</p> <p>The Board will further enhance their understanding of the current sustainability issues updates via news, publications from relevant agencies, engagement with external consultants and business associates and workshops.</p> | |
| Explanation for departure | : | | |
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| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 4.4

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

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| Application | : | Applied | |
| Explanation on application of the practice | : | The responsibilities and duties of the NC are provisioned in its TOR which was approved by the Board on 22 March 2024. The annual assessment and evaluation of the Directors, Board and Board Committees for the financial year ended 31 December 2024 (“FY2024”) included assessment of the Board’s understanding on sustainability issues that are critical to the Group’s performance. | |
| Explanation for departure | : | | |
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| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 4.5- 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.

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| Application | : | Adopted |
| Explanation on adoption of the practice | : | The CEO is appointed as the designated person on sustainability matters and he is supported by the Sustainability and Risk Management Team. |

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 | | | | | | | | | | | | |
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| Explanation on application of the practice | : | <p>The NC consists of 3 Independent Non-Executive Directors as follows:</p> <table><tr><th>Name</th><th>Designation</th><th>Directorship</th></tr><tr><td>Teresa Tan Siew Kuan</td><td>Chairwoman</td><td>Independent Non-Executive Director</td></tr><tr><td>Hanita Binti Othman</td><td>Member</td><td>Independent Non-Executive Director</td></tr><tr><td>Joyce Wong Ai May</td><td>Member</td><td>Independent Non-Executive Director</td></tr></table> <p>The NC provides oversight on the composition of the Board in terms of size, tenure of Independent Directors, diversity of experience, skills and experience and the balance between Executive Directors, Non-Executive Directors and Independent Directors.</p> <p>Based on the outcome of evaluation for FY2024, the NC and the Board were satisfied that the Board and Board Committees have discharged their duties and responsibilities effectively and the contribution and performance of each individual Director is satisfactory.</p> <p>The annual performance assessment formed the basis for recommendation of re-election of Director(s) retiring at the Annual General Meeting ("AGM").</p> | Name | Designation | Directorship | Teresa Tan Siew Kuan | Chairwoman | Independent Non-Executive Director | Hanita Binti Othman | Member | Independent Non-Executive Director | Joyce Wong Ai May | Member | Independent Non-Executive Director |
| Name | Designation | Directorship | | | | | | | | | | | | |
| Teresa Tan Siew Kuan | Chairwoman | Independent Non-Executive Director | | | | | | | | | | | | |
| Hanita Binti Othman | Member | Independent Non-Executive Director | | | | | | | | | | | | |
| Joyce Wong Ai May | Member | Independent Non-Executive Director | | | | | | | | | | | | |
| Explanation for departure | : | | | | | | | | | | | | | |
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| Measure | : | | | | | | | | | | | | | |
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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 5.2

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

| Application | : | Applied | | | | | | | | | | | |
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| Explanation on application of the practice | : | <p>The Board is made up of one (1) Non-Independent Non-Executive Chairman, (1) one Non-Independent Non-Executive Director, two (2) Executive Directors and four (4) Independent Non-Executive Directors.</p> <p>Presently, half the Board comprises independent directors as follows:</p> <table border="1"><thead><tr><th>Name</th><th>Directorship</th></tr></thead><tbody><tr><td>Ahmad Khairuddin Bin Abdul Rahim</td><td>Independent Non-Executive Director</td></tr><tr><td>Joyce Wong Ai May</td><td>Independent Non-Executive Director</td></tr><tr><td>Hanita Binti Othman</td><td>Independent Non-Executive Director</td></tr><tr><td>Teresa Tan Siew Kuan</td><td>Independent Non-Executive Director</td></tr></tbody></table> <p>The current composition of the Board Committees, made up of only Independent Non-Executive Directors affirmed the Board's commitment towards independence and provide strong check and balance in the Board's governance function.</p> | | Name | Directorship | Ahmad Khairuddin Bin Abdul Rahim | Independent Non-Executive Director | Joyce Wong Ai May | Independent Non-Executive Director | Hanita Binti Othman | Independent Non-Executive Director | Teresa Tan Siew Kuan | Independent Non-Executive Director |
| Name | Directorship | | | | | | | | | | | | |
| Ahmad Khairuddin Bin Abdul Rahim | Independent Non-Executive Director | | | | | | | | | | | | |
| Joyce Wong Ai May | Independent Non-Executive Director | | | | | | | | | | | | |
| Hanita Binti Othman | Independent Non-Executive Director | | | | | | | | | | | | |
| Teresa Tan Siew Kuan | Independent Non-Executive Director | | | | | | | | | | | | |
| Explanation for departure | : | | | | | | | | | | | | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | | | | | | | | | | | |
| Measure | : | | | | | | | | | | | | |
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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 5.3

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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The Company was listed on the ACE Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) on 06 November 2024.</p> <p>None of the independent directors has served on Board for more than nine (9) years of tenure. In addition, the practice for the tenure of directors is provisioned in the Board Charter which was approved by the Board on 22 March 2024.</p> | |
| Explanation for departure | : | | |
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| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 5.4 - 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.

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| Application | : | Not Adopted |
| Explanation on adoption of the practice | : | This is not adopted in view that the Company does not fall within the definition of "Large Companies". |

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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The Board is supportive of diversity on the Board and in Senior Management team. The appointment of Board and Senior Management team are based on objective criteria, merit and takes into consideration for diversity in experience, skills set, age and cultural background.</p> <p>The current composition of the Board reflects a good mix of diversity and expertise from various fields such as general management and operations, finance, audit and accounting, sales and marketing, information technology as well as corporate affairs.</p> | |
| Explanation for departure | : | | |
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| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 5.6

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

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

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| Application | : | Applied | |
| Explanation on application of the practice | : | The Company was listed on the ACE Market of Bursa Securities on 06 November 2024. No new Director was appointed since then. However, the Board acknowledges the importance of not solely relying on recommendations from existing board members, management or major shareholders in identifying qualified candidates for appointment of Directors. The Board will consider third party sources to identify candidate(s) for directorship, if any. | |
| Explanation for departure | : | | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 5.7

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

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The profile of each Director is disclosed in the Annual Report 2024 for shareholders' reference and include the following disclosures;</p> <ul style="list-style-type: none">• Age, skills, experience and academic qualifications;• Attendance at the Board meetings held during FY2024;• Directorship of other listed companies;• Family relationship with any Director or major shareholder of the Company;• Conflict of interest (including in any competing business) with the Group;• Related party transactions and;• Conviction for offences (excluding traffic offenses) within the past five (5) years. <p>To ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director, a brief profile of director concerned together with statement from the Board (on whether it support the appointment or reappointment) will be included in the explanatory notes of the Notice of AGM.</p> |
| Explanation for departure | : | |
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| <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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | The NC is chaired by Ms. Teresa Tan Siew Kuan, who is an Independent Non-Executive Director. | |
| Explanation for departure | : | | |
| | | | |
| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

| | | | |
|---|---|---|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | <p>As at 31 December 2024, 37.5% of the Board members are women Directors, i.e. three (3) women Directors out of a total of eight (8) Board members</p> <p>The Board acknowledges that a more gender-diverse board improves executives' monitoring, better decision making arising from different perspectives and good corporate governance.</p> | |
| Explanation for departure | : | | |
| | | | |
| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 5.10

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

| | | | |
|---|---|--|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The Board is supportive of the gender diversity in its selection of Board members and Key Senior Management (“KSM”). As per the Annual Report 2024, the Board has three (3) female members out of 8 Board members, which is more than the 30% threshold. As for the KSM, three (3) out of six (6) are women i.e. Chief Financial Officer, Head of Product Engineering Services and Chief Culture Officer.</p> <p>The gender diversity for Board members and key senior management are highlighted in the Board Diversity Policy and the Nomination Committee’s TOR.</p> | |
| Explanation for departure | : | | |
| | | | |
| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 6.1

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

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

| | | |
|--|---|---|
| <i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i> | | |
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board, through the NC has undertaken a formal and objective annual evaluation to determine the effectiveness of the Board, its Board Committees, and each individual director.</p> <p>The Board was satisfied with the results of the annual evaluation carried out for FY2024. The current size and composition of the Board is well-diverse with the appropriate the right mix of skills, competency and experience.</p> <p>The NC had also reviewed and accessed the independence of the Independent Non-Executive Directors and was satisfied that they performed their roles in corporate accountability through their objective participation in discussions in Board and Board Committee meetings by providing unbiased, impartial and objective opinion.</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 objective of the Remuneration Policy and Procedures adopted by the Board on 22 March 2024 is to attract, engaged and retain the right talent and to motivate the Directors and KSM. It also ensures appropriate level of remuneration for Directors and KSM is aligned with Group's strategic goals and corporate values.</p> <p>The remuneration for Directors and KSM will be determined in accordance with their performance and contribution taking into account their effort, time spent and level of responsibilities in the Board, Board Committees and the Company's business affairs.</p> <p>The proposed Directors' fees and Directors' benefits for the period from the next day after the forthcoming AGM until the next AGM of the Company will be tabled at the forthcoming AGM for the approval of the shareholders.</p> <p>The remuneration of Executive Directors shall be approved by the Board, with the interested Executive Director abstaining from discussion of his/her own remuneration. The remuneration of KSM personnel shall also be 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 level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

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

Practice 7.2

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

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

| Application | : | Applied | | | | | | | | | | | | |
|--|-------------|--|------|-------------|--------------|----------------------------------|--------|------------------------------------|-------------------|--------|------------------------------------|----------------------|--------|------------------------------------|
| Explanation on application of the practice | : | <p>The RC was formed on 22 March 2024 to assist the Board to review the remuneration packages and make recommendations relating to remuneration matters for the Directors and senior management.</p> <p>The RC consists wholly of independent non-executive directors and is governed by its TOR. The RC members are as follows:</p> <table><tr><th>Name</th><th>Designation</th><th>Directorship</th></tr><tr><td>Ahmad Khairuddin Bin Abdul Rahim</td><td>Member</td><td>Independent Non-Executive Director</td></tr><tr><td>Joyce Wong Ai May</td><td>Member</td><td>Independent Non-Executive Director</td></tr><tr><td>Teresa Tan Siew Kuan</td><td>Member</td><td>Independent Non-Executive Director</td></tr></table> <p>The RC's TOR will be regularly reviewed and is published on the Company's website at www.3ren.com.my.</p> | Name | Designation | Directorship | Ahmad Khairuddin Bin Abdul Rahim | Member | Independent Non-Executive Director | Joyce Wong Ai May | Member | Independent Non-Executive Director | Teresa Tan Siew Kuan | Member | Independent Non-Executive Director |
| Name | Designation | Directorship | | | | | | | | | | | | |
| Ahmad Khairuddin Bin Abdul Rahim | Member | Independent Non-Executive Director | | | | | | | | | | | | |
| Joyce Wong Ai May | Member | Independent Non-Executive Director | | | | | | | | | | | | |
| Teresa Tan Siew Kuan | Member | 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

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 details of the Directors' remuneration for FY2024 for each individual Director with a breakdown into fees, salaries and bonuses, benefits-in-kind and other emoluments are shown in the following table. |

| No | Name | Directorate | Company ('000) | | | | | | | Group ('000) | | | | | | |
|----|----------------------------------|--|-----------------|-----------------|-----------------|-----------------|------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|-----------------|
| | | | Fee | Allowance | Salary | Bonus | Benefits-in-kind | Other emoluments | Total | Fee | Allowance | Salary | Bonus | Benefits-in-kind | Other emoluments | Total |
| 1 | Dato' Boonler Somchit | Non-Executive Non-Independent Director | 56 | 1 | | | | | 57 | 62 | 1 | | | | | 63 |
| 2 | Koh Dim Kuan | Executive Director | | | | | | | | | | 318 | | | 39 | 357 |
| 3 | Lee Chee Hoo | Executive Director | | | | | | | | | | 282 | | | 35 | 317 |
| 4 | Ahmad Khairuddin Bin Abdul Rahim | Independent Director | 37 | 1 | | | | | 38 | 37 | 1 | | | | | 38 |
| 5 | Hanita Bin Othman | Independent Director | 37 | 1 | | | | | 38 | 37 | 1 | | | | | 38 |
| 6 | Joyce Wong Ai May | Independent Director | 42 | 1 | | | | | 43 | 42 | 1 | | | | | 43 |
| 7 | Teresa Tan Siew Kuan | Independent Director | 37 | 1 | | | | | 38 | 37 | 1 | | | | | 38 |
| 8 | Mohammad Hazani Bin Hassan | Non-Executive Non-Independent Director | 5 | 1 | | | | | 6 | 35 | 1 | | | | | 36 |
| 9 | Input info here | Choose an item. | | | | | | | | | | | | | | |
| 10 | Input info here | Choose an item. | | | | | | | | | | | | | | |
| 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 |

Intended Outcome

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

Practice 8.2

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

| | | | |
|--|---|--|--|
| Application | : | Departure | |
| Explanation on application of the practice | : | | |
| Explanation for departure | : | The Board has decided not to disclose the 6 KSM's remuneration packages as such details may be detrimental to the Company's interests in view of the competitive nature of the human resource market where retention of executive talents is of paramount importance. Furthermore, the Company wishes to maintain confidentiality on all its employees' remuneration and also to consider the employees' intention to keep their remuneration private due to personal reasons. | |
| | | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

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

Intended Outcome

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

Practice 8.3 - Step Up

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

| | | |
|--|---|--|
| Application | : | Not Adopted |
| Explanation on adoption of the practice | : | This is not adopted in view that the Company does not fall within the definition of "Large Companies". |

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

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.

The company's financial statement is a reliable source of information.

Practice 9.1

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

| | | | |
|--|---|---|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | The Chairwoman of the ARMC, Ms Joyce Wong Ai May is not the Chairman of the Board. Details on the composition and activities of the ARMC are outlined under the ARMC Report in the Annual Report 2024. | |
| Explanation for departure | : | | |
| | | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

| | | | |
|---|---|--|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The ARMC has incorporated into the TOR the requirement that a former partner is to observe a cooling off period of at least three (3) years prior to being appointed as a member of the ARMC.</p> <p>Currently none of the members of the ARMC are former partners of the audit firm of the Group.</p> <p>The TOR was approved by the Board on 22 March 2024 and is available on the Company’s website at www.3ren.com.my.</p> | |
| Explanation for departure | : | | |
| | | | |
| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

| | | |
|--|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The ARMC reviews the suitability, objectivity and independence of the external auditor of the Company on an annual basis. The review process covers the assessment of the independence of the external auditor, the evaluation of the external auditor's performance, competency, quality of work, audit fees and the adequacy of resources.</p> <p>Following a review conducted for FY2024, the ARMC is satisfied with the technical competency and independence of the external auditors.</p> <p>The ARMC had considered the non-audit services provided by the external auditors during FY2024 and concluded that the provision of these services did not compromise the external auditors' independence and objectivity. The amount of fees paid for these services was not significant when compared to the total audit fees paid to the external auditors.</p> <p>The external auditors have confirmed to the ARMC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of relevant professional, ethics and regulatory requirements.</p> <p>A summary of activities of the ARMC for FY2024 is set out under the ARMC Report in the Annual Report 2024.</p> |
| Explanation for departure | : | |
| | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

| Application | : | Adopted | | | | | | | | | |
|--|------------------------------------|--|------------------------------------|--------------|--------------------------------|------------------------------------|------------------------------|------------------------------------|-------------------------------|------------------------------------|--|
| Explanation on adoption of the practice | : | The Board has established an effective and independent ARMC. The members of ARMC comprise solely of Independent Non-Executive Directors as follows: | | | | | | | | | |
| | | | | | | | | | | | |
| | | <table><tr><th>Name</th><th>Directorship</th></tr><tr><td>Joyce Wong Ai May (Chairwoman)</td><td>Independent Non-Executive Director</td></tr><tr><td>Hanita Binti Othman (Member)</td><td>Independent Non-Executive Director</td></tr><tr><td>Teresa Tan Siew Kuan (Member)</td><td>Independent Non-Executive Director</td></tr></table> | Name | Directorship | Joyce Wong Ai May (Chairwoman) | Independent Non-Executive Director | Hanita Binti Othman (Member) | Independent Non-Executive Director | Teresa Tan Siew Kuan (Member) | Independent Non-Executive Director | |
| | | Name | Directorship | | | | | | | | |
| | | Joyce Wong Ai May (Chairwoman) | Independent Non-Executive Director | | | | | | | | |
| Hanita Binti Othman (Member) | Independent Non-Executive Director | | | | | | | | | | |
| Teresa Tan Siew Kuan (Member) | Independent Non-Executive Director | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

| | | |
|--|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The members of the ARMC which comprises independent directors whose profile and credentials have been vetted through by the appointed Principal Adviser and Due Diligence Lawyer as well as going through an interview with them during the listing exercise.</p> <p>The Chairwoman and members of the ARMC are financially literate with diverse experience and background in accounting, internal audit, risk management, tax, legal, commercial expertise and capital markets.</p> <p>All members of the ARMC will undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.</p> |
| Explanation for departure | : | |
| | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |
| | | |

Intended Outcome

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

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

Practice 10.1

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

| | | | |
|--|---|---|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | The Board recognises the importance of sound internal controls which encompass risk management practices as well as financial, operational and compliance controls. In this respect, the Board affirms its overall responsibility for the Group's systems of internal controls and risk management, and for reviewing the adequacy and integrity of those systems. The Statement on Risk Management and Internal Controls in the Annual Report 2024 provides an overview on the state of internal controls and risk management within the Group. | |
| Explanation for departure | : | | |
| | | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

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

Practice 10.2

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

| | | | |
|--|---|--|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The Board acknowledges its responsibility for reviewing the adequacy and integrity of the Company's risk management and internal control systems. The Board via the ARMC will continually assess the adequacy and effectiveness of the risk management system and internal control framework.</p> <p>The key features of the Company's risk management and internal control framework are highlighted in the Statement on Risk Management and Internal Control in the Annual Report 2024.</p> <p>The Board has received assurance from the CEO and CFO stating that to the best of their knowledge, the Group's risk management and internal control system are operating adequately and effectively in all material aspects.</p> | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

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

Practice 10.3 - 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 | : | <p>The ARMC's scope of duties and responsibilities encompass risk management of the various businesses of the Group in addition to internal control, financial reporting and corporate governance.</p> <p>The ARMC, with support from the Management, has assisted the Board in fulfilling its oversight functions in the risk governance by establishing a sound internal control and risk management framework to manage the various risks faced by the Group with the overall responsibility for overseeing the risk management activities of the Group and approving the appropriate risk management procedures and measurement methodologies across the Group.</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.

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Company had engaged GovernanceAdvisory.com Sdn. Bhd. in 2024 to review the adequacy and sufficiency of the systems, procedures and controls of the Group for the purpose of preparing for the listing of the Company on the ACE Market of Bursa Securities.</p> <p>The review was carried out for the following specific key processes:</p> <ul style="list-style-type: none">• Corporate Governance and Risk Management (Group)• Sales and Business Development• Project Management• Product Engineering Services• Field Application Specialist• Software Innovation/Research and Development/ Information Technology• Supply Chain Management• Quality Assurance• Human Resource• Finance &Administrative <p>For 2025, the Company have outsourced the internal audit function to Tan Yen Yeow & Company. The scope of work will be proposed by internal auditors to the ARMC for their approval. The ARMC will ensure that the internal audit function is effective and able to function independently.</p> |
| Explanation for departure | : | |
| | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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

Practice 11.2

The board should disclose—

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

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The internal audit function is outsourced to an independent professional firm, Tan Yen Yeow & Company, headed by Mr. Tan Yen Yeow who is a Certified Internal Auditor. He has more than 20 years' experience in risk management and internal auditing and is both a member of Institute of Internal Auditors Malaysia and Malaysian Institute of Accountants (MIA). He will be assisted by Mr. Lee Kok Shin, an accountant with The Association of Chartered Certified Accountants (ACCA), The Malaysian Institute of Certified Public Accountants (MICPA) qualifications and a member of the MIA.</p> <p>Tan Yen Yeow & Company and its personnel are not related to any of the Directors of the Group and have no conflict of interest with the Group.</p> <p>The internal auditors will assist the ARMC in providing an independent assessment of the adequacy, efficiency and effectiveness of the Group's risk management and internal control system.</p> |
| Explanation for departure | : | |
| | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |
| | | |

Intended Outcome

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

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

Practice 12.1

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

| | | | |
|---|---|--|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The Board’s responsibilities in maintaining effective, transparent and regular communication with its stakeholders and shareholders are provisioned in the Board Charter which was approved by the Board on 22 March 2024.</p> <p>The following are various ways of communicating with stakeholders:</p> <p>(a) General Meetings e.g. AGM.</p> <p>(b) Quarterly results of the Company which are announced to Bursa Securities.</p> <p>(c) Announcements made to Bursa Securities.</p> <p>(d) Information disclosed in the Annual Report which contains pertinent information such as Management Discussion and Analysis, Corporate Governance, Sustainability and Risk Management.</p> <p>(e) The website of the Company has a tab marked as “Investor Relations” which contains information on the products, press releases and other corporate information which are updated on regular basis.</p> | |
| Explanation for departure | : | | |
| | | | |
| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

There is 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 | : | This is not adopted in view that the Company does not fall within the definition of "Large Companies". | |
| | | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 13.1

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

| | | | |
|--|---|--|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The 1st AGM of the Company was held prior to the listing of the Company on the ACE Market of Bursa Securities on 06 November 2024.</p> <p>The Notice of AGM will be sent out to the shareholders at least twenty-eight (28) days before the date of the upcoming AGM in 2025.</p> <p>This enables the shareholders to have sufficient time to consider the resolutions and make informed decision in exercising their voting rights at the AGM. Items of special business included in the said notice were accompanied by explanation on the proposed resolutions.</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 | : | Directors, senior management, Company Secretary and external auditors had attended the 1st AGM held in 2024. For the forthcoming AGM in 2025, all directors, senior management, external auditors and company secretary will be present in the meeting to address any queries arising from the shareholders. | |
| Explanation for departure | : | | |
| | | | |
| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate—

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

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

| | | |
|--|---|---|
| Application | : | Departure |
| Explanation on application of the practice | : | |
| Explanation for departure | : | <p>The Company was listed on the ACE Market of Bursa Securities on 6 November 2024 and had convened its 1st AGM on 28 June 2024.</p> <p>The forthcoming AGM will be conducted physically at a venue that is suitable and convenient for the shareholders. Shareholders who attend the AGM are allowed to participate and engage with the Board and senior management. Shareholders may appoint proxies to attend and vote on their behalf if they are unable to attend the AGM.</p> <p>All the poll results of the resolutions tabled and voted at the AGM will be scrutinised by an independent scrutineer. The poll results will be announced to Bursa Securities on the same day after the AGM.</p> |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

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 Company was listed on the ACE Market of Bursa Securities on 6 November 2024 and will convene its second AGM on 30 May 2025.</p> <p>The Board will ensure that opportunities are given to shareholders to raise issues relating to the affairs of the Company by allowing sufficient time for the Question-and-Answer session during the AGM.</p> <p>All directors, senior management, external auditors and company secretary will be present in the meeting to respond to any enquiries from the shareholders.</p> | |
| Explanation for departure | : | | |
| | | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 13.5

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

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.

| | | | |
|---|---|--|--|
| provide any reasons online entered by the meeting platform. | | | |
| Application | : | Not applicable – only physical general meetings were conducted in the financial year | |
| Explanation on application of the practice | : | | |
| Explanation for departure | : | | |
| | | | |
| Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below. | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

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

Practice 13.6

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 | : | As the Company was listed after its AGM in 2024, the minutes of the upcoming 2nd AGM including issues and concerns raised by shareholders and relevant responses by the Board/ Key Senior Management will be made available on the Company's website within thirty (30) days after the conclusion of the AGM. |
| Explanation for departure | : | |
| | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

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

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

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