

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5259
COMPANY NAME : AVANGAAD 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>At the core of its responsibilities, the Board of Directors ("Board") sets strategic goals for the Company, ensuring alignment with its overarching vision and mission. Recently, the Board approved the Group's 1-Year Strategic Business Plan (2025-2026), underscoring a commitment to sustainable growth and profitability amidst prevailing economic challenges and industry dynamics.</p> <p>The corporate governance framework is reinforced by the Company's Limits of Authority ("LOA"), which delineates decision-making boundaries for each level of Management within the organisation. The LOA manual serves as a comprehensive guide, clearly defining matters reserved for the Board's approval and those delegated to Senior Management. Within this framework, the LOA manual outlines authority over various aspects such as payments, investments, capital and revenue expenditure spending limits, budget approvals, contract commitments, and non-financial matters. By establishing these clear parameters, the LOA manual fosters accountability and facilitates decision-making processes at the appropriate levels within the organisational hierarchy.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.2

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	:	The Board, under the guidance of Dato' Mohd Redza Shah Bin Abdul Wahid, the Independent Non-Executive Chairman (" Chairman "), undertakes the responsibility to shareholders and diverse stakeholders to create and deliver sustainable value and long-term success through adept leadership and management of the Group's business and operations. This commitment aligns closely with the Group's overarching vision and mission.
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>In adherence to sound governance principles, the Company upholds a clear demarcation between the roles of the Chairman and the Chief Executive Officer (“CEO”). This strategic separation ensures a balanced distribution of authority and delineation of responsibilities within the organisation.</p> <p>The Chairman, entrusted with a non-executive function, leads the Board in its management oversight, presides over board meetings, and sets the tone for governance standards. In this capacity, the Chairman is a conduit between the Board and Management, fostering effective communication and aligning objectives.</p> <p>The Board and Top Management engage collaboratively to ensure the Company's operations are conducted prudently, with regular reviews of key policies, business plans, and strategies. This cooperative dynamic reinforces the Board's commitment to enhancing long-term shareholder value and safeguarding stakeholder interests</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, Nominating 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 :	Departure
Explanation on application of the practice :	
Explanation for departure :	<p>Pursuant to Practice 1.4 of the Malaysian Code on Corporate Governance ("MCCG"), the Chairman of the Board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee.</p> <p>At present, Dato' Mohd Redza Shah Bin Abdul Wahid, the Independent Non-Executive Chairman, who is also the member of Audit Committee ("AC"), Board Nomination and Remuneration Committee ("BNRC"), Risk and Governance Committee ("RGC")(collectively "Board Committees").</p> <p>The Board would like to emphasise the above arrangement is an interim measure to ensure the fully functioning of the Board Committees, whilst seeking to fill up a vacant board seat for independent director.</p> <p>The Board expects this Departure would be averted in due course upon the identification and appointment of new independent director in due course.</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

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 acknowledges the crucial role of Company Secretaries in providing guidance on statutory compliance, regulatory adherence, and corporate governance standards.</p> <p>The Board got the dedicated support from two (2) qualified Company Secretaries, certified under the Companies Act 2016, who provide essential guidance on statutory compliance, regulatory adherence, and corporate governance standards. With legal training and accreditation, they assist the Board and Management in navigating complex regulatory landscapes, ensuring the Group's operations align with established governance norms. The Company Secretaries play a pivotal role in advising on matters ranging from the Company's constitution to Board policies and procedures. They are equipped to keep abreast of regulatory developments through ongoing training and industry engagement.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>To facilitate the Board's time planning, an annual meeting calendar is prepared and circulated in advance of each new year. The calendar sets out the scheduled dates for meetings of the Board, the Board Committees and the Annual General Meeting ("AGM").</p> <p>The meeting agenda was set by the Board with the assistance of the Company Secretaries and Management. The Notices of meetings are sent to the Board and Board Committee via email at least seven (7) days prior to a meeting. Relevant Board papers were disseminated to all the Board at least seven (7) days prior to the Board meeting so as to accord sufficient time for the Board to peruse the Board papers and to seek any clarification or further details that they may need from the Management or the Company, or to consult independent advisers, if they deemed necessary.</p> <p>Minutes of Meetings are circulated to all the Board / Board Committee for their perusal prior to confirmation of the minutes to be done at the commencement of the following Board Meeting. The signed minutes are kept properly in the minutes books at the registered office of the Company to be made available for inspection under the Companies Act 2016.</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 Charter serves as a comprehensive guide for the Board, delineating matters concerning the Board and its procedures. Additionally, it defines the roles and obligations of the Chairman, the CEO, and the Board collectively.</p> <p>The Board Charter has been reviewed and approved by the Board and is made available on the Company's website, https://avangaad.com/ir/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	:	

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>Aligned with the paramount duty to uphold honesty, fairness, and integrity, the Board are dedicated to fostering exemplary business conduct and nurturing a robust corporate culture. This ethos prioritises integrity, transparency, and fairness in all organisational endeavours.</p> <p>To reinforce these principles, the Board have implemented a set of ethical standards, detailed within the CG Report, which include:</p> <ol style="list-style-type: none">1. Code of Ethics;2. Whistleblowing Policy; and3. Anti-Bribery Policy. <p>Code of Ethics The Company maintains a robust Code of Ethics (“COE”), readily accessible to all stakeholders on the corporate website, www.avangaad.com. This Code provides a vital framework that outlines the ethical principles, expected conduct, and behavioral standards for all members of the Group, including the Board and employees. It reinforces the importance of ethical behavior, integrity, and accountability across all the business activities and operations. Strict adherence to the provisions of COE is mandatory for every member of the Group.</p> <p>Whistle-Blowing Policy Whistle-Blowing Policy is designed to foster a culture of transparency, integrity, and accountability throughout the operations. This policy enables employees to report unethical or illegal conduct without fear of reprisal. Confidential disclosures can be made through established channels. The Company is committed to promptly investigating all reports and ensuring the protection of the whistleblower's identity. This policy demonstrates the Company's commitment to upholding high ethical standards and addressing concerns effectively.</p> <p>Anti-Bribery Policy</p>

	<p>The Anti-Bribery Policy solidifying the Company’s Code of Conduct & Business Ethics, underscores the unwavering commitment to eradicating bribery and corruption. The Company achieved Anti-Bribery Management System (“ABMS”) certification on 6 May 2021 and has been actively engaged in its implementation since 2020. This policy is designed to ensure that all employees understand their critical responsibility in upholding stringent anti-bribery measures within the organisation.</p>	
<p>Explanation for departure :</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure :</p>		
<p>Timeframe :</p>		

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Whistle-Blowing Policy of the Company establishes a formal mechanism for employees to disclose instances of unethical, unlawful, or undesirable conduct in good faith, free from the fear of retaliation. Confidentiality is strictly maintained regarding the identity of the whistleblower and the concerns raised.</p> <p>Employees are encouraged to report incidents of malpractice to their immediate supervisors. However, should an employee feel hesitant for any reason, they may confidentially express their concerns to designated individuals such as the CEO or Top Management. Alternatively, concerns can be raised with appointed persons via email at topmanagement@avangaad.com.</p> <p>In the event that concerns remain unresolved after following these channels, employees are advised to contact the Independent Director at ACchairman@avangaad.com.</p> <p>This policy has undergone thorough review and approval by the Board and is made accessible on the corporate 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>One of the key responsibilities outlined in the Board Charter is the review and adoption of a strategic plan for the Company. This entails the Board's meticulous scrutiny and approval of the annual budget.</p> <p>Central to the Company's business strategy is a firm commitment to responsibility and sustainability, with stakeholders' concerns serving as pivotal inputs in shaping the corporate direction. The Company firmly believe that active engagement with stakeholders is instrumental in identifying potential risks and opportunities for the business. As such, the Board bears the ultimate responsibility for ensuring the seamless integration of sustainability principles into the Company's strategic trajectory and operational framework. To realise this objective, the Board consistently reinforces a robust governance framework for sustainability across the Group.</p> <p>The Company have a dedicated Risk & Governance Committee ("RGC") at the board level, chaired by Mr. Michael Cheah Choy Chin. The RGC convenes regularly, in collaboration with the Senior Management team, to ensure alignment between the Group's strategic plan and its long-term value creation and sustainability objectives.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company’s sustainability strategies, priorities, and targets undergo meticulous development, monitoring and review, guided by a thorough materiality assessment.</p> <p>Reflecting the Company’s commitment to sustainability, we prioritise initiatives across 13 key areas, ranked according to their significance: Occupational Health and Safety, Regulatory Compliance, Data Privacy and Cybersecurity, Corporate Governance and Anti-Corruption, Service Quality and Customer Satisfaction, Labour Standards and Human Rights, Economic Performance, Supply Chain Management, Energy Management and Climate Action, Waste and Effluent Management, Community Engagement, Water Consumption, and Diversity and Inclusion.</p> <p>For detailed insights into the Company’s Sustainability Report and initiatives, please refer to 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

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, Senior Management, and relevant Board Committees collaborate extensively to oversee the implementation of the Sustainability Policy, which includes facilitating regular performance evaluations and establishing appropriate sustainability targets. As part of this commitment, the Company has adopted the Statement of Policy on Quality, Health, Safety and Environment Protection (“QHSE Policy”). This policy aims to ensure safe practices in ship operation and maintain a safe working environment, continuously enhancing the safety management skills of personnel both ashore and onboard. It also encompasses readiness for safety and environmental emergencies, risk mitigation measures, and compliance with regulatory requirements.</p> <p>Continuous and transparent communication of environmental, social, and governance targets and performance to all stakeholders of the Group is a priority for the Company. The Board is responsible for approving the Sustainability Report included in the Annual Report for the financial year 2025.</p> <p>In line with the Company’s commitment to robust sustainability governance, a Sustainability Governance Structure has been established. The Sustainability Steering Committee and Top Management, works diligently to oversee sustainability initiatives. This committee reports to the RGC, which in turn reports to the Board of Directors.</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 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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board acknowledges the importance of integrating sustainability considerations into the performance evaluation of Senior Management. While a formalised assessment framework linking Senior Management performance directly to material sustainability risks and opportunities has yet to be fully established, the Group has made meaningful progress in embedding sustainability into its operations.</p> <p>The Group currently monitors and discloses Scope 1 and Scope 2 greenhouse gas emissions in line with regulatory requirements by Bursa Malaysia Securities Berhad, and has established key sustainability targets and performance indicators across environmental, social, and governance areas, including emissions management, occupational health and safety, and anti-corruption. These indicators are actively tracked and reported, forming a foundation for future integration into performance evaluation frameworks. The Board intends to progressively formalise the linkage between sustainability performance and Senior Management assessments as internal metrics and governance processes continue to mature.</p>
<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 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	:	<p>The Company has appointed a dedicated executive as the environmental, social, and governance (“ESG”) Coordinator, who will be supervised by the Management. The appointed executive in charge of managing sustainability matters have a pivotal role within the company, guided by the oversight and strategic direction of Management. The responsibilities include staying abreast of the latest developments in sustainability and advising Management on compliance with the regulations set by Bursa Malaysia.</p> <p>In this role, the staff tasked with presenting various strategies and best practices to Management, fostering discussions to determine the most effective path toward long-term sustainability. This collaborative process is essential as we strive to align the Company’s business practices with both local and global sustainability expectations.</p> <p>A key component of his responsibilities is the collection, analysis, and reporting of data concerning the company’s performance on ESG criteria. This includes the preparation of a sustainability report that adheres to international standards such as the Global Reporting Initiative (“GRI”) Standards, Bursa Malaysia’s Sustainability Reporting Guide (3rd edition) and United Nations Sustainable Development Goals (“UN SDGs”). The sustainability report is then included in the company’s annual report.</p> <p>Through these efforts, the Company aim to embed sustainability into the core of the business operations, ensuring that the growth is balanced with environmental stewardship, social responsibility, and robust governance.</p>

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 Nominating Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nominating 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>Every Board Member of the Company undergoes a thorough selection process, meticulously evaluating their academic and professional qualifications, depth of knowledge, skills, experience, and personal attributes crucial for effective governance.</p> <p>The BNRC is entrusted with evaluating the performance of Directors whose terms are nearing expiration. Following a comprehensive assessment, the BNRC submits recommendations to the Board for consideration regarding the reappointment of the respective Director.</p> <p>In accordance with the Company's Constitution, at least one third (1/3) or the number nearest to one third (1/3) of Directors, including the Managing Director, shall be subject to retirement by rotation once in every three (3) years. Retiring Directors can offer themselves for re-election. Directors who are appointed by the Board during the year are required to retire and seek for re-election by the shareholders at the next AGM to be held following their appointments</p> <p>Further, in making a recommendation to the Board on the candidate for directorship, BNRC Committee shall have regard to size, composition, mix of skills, experience, competencies and other qualities of the existing Board, level of commitment, resources and time that the recommended candidate can contribute to the existing 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

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>The composition of the Board of the Company, as of 31 December 2025, remains robust, comprising seven (7) Directors, including one (1) independent Non-Executive Chairman, two (2) Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Director and three (3) Executive Directors. These individuals were meticulously selected for their exceptional expertise, extensive experience, unwavering integrity, and commendable character, ensuring a balanced and competent leadership team. The Board is steadfast in adhering to regulatory guidelines regarding Board composition, with most Independent Directors possessing diverse expertise and skills from various fields.</p> <p>The Board is cognisance that the current composition does not align with the desired practice by underlining that independent directors are expected to account for at least half of the board. However, the Board exceeds the minimum of 1/3, as stipulated in the Main Market Listing Requirements (“Main LR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).</p> <p>Each independent director has affirmed his/her independency and brings invaluable judgement to deliberation on issues of strategy, performance, allocation of resources, risk management, internal controls and standards of conduct. The minority shareholders are well represented by the presence of the existing INED on the Board who have shown that they are individuals with integrity and are highly capable and competent to carry out their duties and responsibilities.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Board endeavours to use its best efforts to identify an additional independent director of high calibre whom would be able to contribute to the Board.
Timeframe	:	Others

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>In line with the Code's recommendation and the Constitution of the Company, the tenure of an Independent Director should not exceed a cumulative term of nine (9) years and upon completion of the nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent Director. If the Board intends to retain the Independent Director beyond nine (9) years, the Board will seek annual shareholders' approval through a two-tier voting process in accordance with Practice 5.3 of MCCG.</p> <p>The Board recognises the importance of independence and objectivity in its decision-making process.</p> <p>In order to ensure independent and objective judgment is brought to the Board's deliberation by genuine independence of the independent directors and to ensure conflict of interest or undue influence from interested parties is well taken care of, the Board is committed to ensure the independence of the independent directors are assessed by BNRC prior to their appointment based on formal Nominating and selection process with the results of the review reported to the Board for consideration and decision.</p> <p>During the financial period under review, none of the Independent Directors of the Company has served more than nine (9) years on 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

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	:	Adopted
Explanation on adoption of the practice	:	<p>As delineated in the Board Charter, the tenure of an independent director is stipulated not to exceed a cumulative term of nine (9) years.</p> <p>Nevertheless, upon reaching the culmination of this nine-year period, the independent director may be eligible to continue serving on the Board, contingent upon their re-appointment as a non-independent director.</p> <p>Should the intention be for the director to maintain their status as an independent director beyond this tenure, the Board is required to provide rationale and seek shareholders' approval prior to such continuation.</p>

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	:	The Board acknowledges the critical significance of diversity in crafting its composition, with due consideration given to the requisite skills, knowledge, and experience essential for augmenting Board effectiveness. Diverse representation is thoroughly contemplated across multiple dimensions, encompassing gender, age, educational background, professional expertise, skills, and knowledge. Under the purview of the BNRC, the Board remains steadfast in its commitment to actively seek candidates representing various genders, age groups, and ethnicities, possessing the requisite skills, experience, and attributes requisite for optimal governance, as an integral facet of its selection process.
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>In response to the regulatory changes introduced by Bursa Malaysia in January 2022, the Company has diligently formulated and adopted a Fit and Proper Policy for the Board, a crucial step in enhancing governance and integrity within the Company.</p> <p>This policy stands as a cornerstone guiding the meticulous selection and evaluation of Director candidates. The policy establishes transparent guidelines for appointing and evaluating directors in compliance with Main LR of Bursa Malaysia and other relevant regulations. The policy ensures that directors possess requisite character, integrity, competence, and independence, with criteria including probity, personal and financial integrity, reputation, qualifications, relevant experience, and time commitment. It mandates fit and proper evaluations before initial appointments and re-elections, considering both individual and collective criteria and allowing for contextual assessments of any lapses in meeting specific criteria.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.7

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

Application	:	Applied	
Explanation on application of the practice	:	The profiles of Board are prominently featured in the Annual Report and on the Company's corporate website. These profiles comprehensively detail pertinent information, including the Board' age, gender, date of appointment, directorships held in other entities, professional background, qualifications, disclosure of any potential conflicts of interest, and their holdings in the Company, if applicable.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.8

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Member of the Board, who is an Independent Non-Executive Director, is appointed as the Chairperson of the BNRC on 23 July 2024. Ms. Tong Siut Moi is well-placed to act on behalf of the Company and act in the best interest of all shareholders. She is able to align the evaluation of existing Directors and selection of new Directors with the Company's requirements. This ensures adequate checks and balances in the decision-making process as the Board is also required to endorse the recommendations and final decisions of the BNRC.</p> <p>Her strong views and character, dynamic personality, inquisitive nature, and outstanding leadership skills, coupled with the support of his fellow committee members, create a strong foundation for an effective BNRC.</p> <p>The current composition of the BNRC comprises of two (2) Independent Non-Executive Directors and one (1) Independent Non-Executive Chairman.</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

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	:	The Board actively promotes and endorses increased participation of women in key decision-making roles within the Company, as it endeavors to achieve a target of 30% female representation in the Board composition. As of 31 December 2025, out of the seven (7) Directors, one (1), constituting 14%, is female. While the Board has not established a specific quota for the appointment of additional female directors, it wholeheartedly embraces gender diversity, recognising that such inclusion is always aligned with the best interests of the Company.	
		Gender diversity will be one of the criteria being considered by the BNRC and the Board in its search of potential candidate(s) to fill the vacant Board seat.	
<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 5.10

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Company currently do not have a specific policy on gender diversity. However, the Company firmly assert that fostering a genuinely diverse and inclusive Board is essential for leveraging variances in perspectives, knowledge, skills, regional and industry experiences, cultural backgrounds, age, and gender. This approach is integral to safeguarding the Company's competitive advantage.</p> <p>The BNRC assumes responsibility for rigorously reviewing and assessing the composition and performance of the Board, while also identifying suitable candidates for the Senior Management team.</p> <p>In terms of gender diversity, the Board and Senior Management exhibit a diverse profile. Ms. Tong Siut Moi serves as one of the directors and Ms. Ang Jia Ping holds the position of Chief Financial Officer.</p> <p>Looking ahead, the Company are committed to formulating a comprehensive policy on gender diversity and will propose its adoption to the Board at the appropriate juncture in due course.</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

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 efficacy of the Board stands as a critical determinant of the Group's success. Accordingly, a significant portion of the Board Policy Manual is dedicated to elucidating and delineating the format and procedure for evaluating the performance of Board Members. The structured format available for the evaluation of Board Members facilitates their efficient and effective discharge of duties.</p> <p>Annually, the Board, facilitated by the BNRC, conducts a thorough evaluation to gauge the performance of the Board, its Committees, Directors, and the Chairman. This encompasses an assessment of the independence of Independent Directors, considering each Director's capacity to exercise independent judgment consistently.</p> <p>The evaluation encompasses a spectrum of factors, including the composition, skillset, experience, communication, roles, responsibilities, and overall effectiveness of the Board. Directors are required to complete a questionnaire pertaining to the processes of the Board and Committees, their efficacy, and areas for potential enhancement. Subsequently, the Company Secretary presents the evaluation findings to the BNRC, which are then noted by the Board.</p> <p>Following the internal performance evaluation process for 2025, the Board has determined that both the Board and its Committees operate effectively. Moreover, the Chairman affirms that each Director continues to make a substantive contribution to the Board's endeavors, demonstrating thorough preparedness and insight into matters under consideration. Additionally, Directors exhibit a robust understanding of the Group's operations, coupled with a steadfast commitment to the Company's objectives.</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	:	The Board has implemented a structured and transparent procedure for determining the suitable remuneration packages for its members. Led by the BNRC, the Board regularly evaluates the overarching remuneration policy for Directors, aiming to maintain an attractive framework that fosters talent retention and acquisition. This approach ensures that the remuneration levels are commensurate with the experience and scope of responsibilities shouldered by the Directors. Moreover, the Board ensures that Director remuneration remains competitive, fitting, and in alignment with prevailing market standards. The Remuneration policy has been reviewed and approved by the Board and is published in the corporate website.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The 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 Committee shall have access to pertinent information and counsel, both internal and external to the Group, as deemed necessary or appropriate in accordance with procedures established by the Board and at the expense of the Company. Authorised by the Board, the Committee is empowered to engage external legal or other professional advisors, as well as gather insights into remuneration practices from external sources. Should it deem it necessary, the Committee has the prerogative to enlist the attendance of external advisors possessing relevant experience and expertise. Furthermore, it retains the discretion to determine the attendance of individuals other than its own members at its meetings. It is stipulated that no director or executive shall participate in decisions pertaining to their own remuneration.</p> <p>Additionally, the BNRC may seek guidance from the Chairman of the Board on matters concerning the remuneration of executive directors. Furthermore, in evaluating the Executive Director/CEO, the Committee may solicit input from other non-executive directors. The Committee reserves the right to invite other directors and key executives to participate in its meetings as needed to fulfill its duties.</p> <p>The Terms of Reference has been reviewed and approved by the Board and is published in the corporate website, https://avangaad.com/ir/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

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 remuneration received by the Non-Executive Directors (NEDs) for the financial year 2025 is set out in a table in the Annual Report.

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' Mohd Redza Shah Bin Abdul Wahid	Independent Non-Executive Chairman	80.00	-	-	-	-	76.00	156.00	-	-	-	-	-	-	-
2	Dato' Seri Nazir Hussin bin Akhtar Hussin	Executive Director	-	-	227.95	79.98	-	-	307.93	-	-	-	-	-	-	-
3	Datuk Wira Mubarak Hussain bin Akhtar Husin	Executive Director	-	-	227.95	79.98	-	-	307.93	-	-	-	-	-	-	-
4	Dato' Lai Keng Onn	Executive Director	-	-	227.39	79.98	-	-	307.37	-	-	-	-	-	-	-
5	Mohd Faris Adli Bin Shukery*	Non-Independent Non-Executive Director	-	-	-	-	-	12.00	12.00	66.00	-	-	-	-	-	66.00

6	Tong Siut Moi	Independent Non- Executive Director	66.00	-	-	-	-	82.00	148.00	-	-	-	-	-	-	-
7	Michael Cheah Choy Chin	Independent Non- Executive Director	66.00	-	-	-	-	101.00	167.00	-	-	-	-	-	-	-

Note:-

* Included in the Directors' Fees paid to Encik Mohd Faris Adli Bin Shukery, RM66,000 was paid directly to Johor Plantations Group Berhad.

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	:	Due to the intense competition, the Company believes that individual disclosure on a named basis for the remuneration of the top five Senior Management personnel is not in the best interest of the Company.	
		<p>The remuneration packages of the Senior Management of the Company are justified by acceptable industry benchmarks for the relevant positions with the consideration of expertise and experience. Additional remuneration such as year-end bonuses is based on achievement of individual Key Performance Indicators ("KPI").</p> <p>The Board will ensure that the remuneration of Senior Management is fair and commensurate with the performance of the Company and the contribution made by the Senior Management.</p>	
<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 :	

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 AC comprises of three (3) members, all of whom are Independent Directors. The AC is chaired by the Independent Non-Executive Director, Mr. Michael Cheah Choy Chin.	
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	:	All members of the AC have no prior affiliations as key audit partners with any external audit firms. The Company will adhere to a cooling-off period of three (3) years should it contemplate the appointment of such an individual to the AC in the future.	
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>Through the AC, the Board fosters a transparent relationship with both Internal and External Auditors, seeking professional guidance on internal controls and ensuring adherence to appropriate accounting standards.</p> <p>The AC diligently oversees the independence of the external audit function from the activities it audits. It meticulously reviews contracts for non-audit services provided by the External Auditors to prevent conflicts of interest. Excluded contracts encompass management consulting, strategic decision-making, internal audit, and the documentation of standard operating policies and procedures.</p> <p>Empowered to engage in direct communication with both external and internal auditors, the AC and auditors can promptly address any concerns as they arise.</p> <p>The External Auditors convene with the AC at least once annually. During these sessions, auditors present and discuss the audit's nature, scope, programme, internal controls, and any pertinent issues requiring the attention of the AC or 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

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	:	All of the AC members are Independent Directors, including the Chairman of the AC. The composition of the AC comprises of three (3) Independent Directors. This configuration is attributed to the limited number of Directors available.

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 AC's effectiveness and composition undergo an annual evaluation as part of the Board Evaluation Assessment, aimed at upholding an independent and efficient AC. The BNRC, overseen by the Board, ensures the appointment of a director possessing financial literacy, requisite knowledge and experience, and a profound understanding of the Company's operations to the AC</p> <p>The Chairman and members of the AC are financially literate, and have carried out their duties in accordance with the Terms of Reference of the AC.</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	:	<p>The Board has approved a robust risk management and internal control framework to safeguard the Group's assets and interests. The Board regularly reviews these Systems to ensure their effectiveness, adequacy, and integrity and enable appropriate responses to changes in the business environment.</p> <p>Oversight of risk management and internal controls is delegated to the RGC at the Board level and the Risk Management Committee at the Management level: The Risk & Governance Committee – oversight on governance, internal control and financial matters; and the Risk Management Committee – oversight over risk management.</p> <p>Annually, the External Auditor and the Internal Audit function collaborate with the RGC to evaluate the efficacy of risk management and internal controls, offering an independent perspective on specific risks and control matters.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Group's Risk Management and Internal Control Framework specifics are elucidated in the Company's Annual Report within the Statement of Risk Management and Internal Control. Furthermore, the activities of the Risk Management Committee are comprehensively disclosed in the Company's Annual Report.	
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 RGC at the board level was instituted on 1 June 2020, as outlined in the Announcement to Bursa. chaired by Micheal Cheah Choy Chin, an Independent Non-Executive Director, the RGC Committee is supported by two (2) other Independent Non-Executive Directors.

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's internal audit function is conducted by the in-house Internal Audit team and independent service provider. The role of the outsourced internal audit firm is to provide independent and objective reports on the organisation's management, records, accounting policies and controls to the Board during the financial year 2025.</p> <p>The Internal Audit Department ("IAD") directly reports to the AC and administratively to the CEO. Guided by its Internal Audit Charter, the IAD function aids the Board in fulfilling its fiduciary duties concerning financial, operational, information system, investigative, risk management, and governance processes, as outlined in the approved Annual Audit Plan.</p> <p>On a quarterly basis, the IAD furnishes the AC with independent and objective reports on the status of internal control, highlighting areas for improvement and providing updates on the implementation status of recommendations.</p> <p>The activities performed by the Internal Audit encompass, among others, assessing the adequacy and effectiveness of the internal control system, adherence to established policies, procedures, laws, and regulations, governance processes, information reliability and integrity, and the safeguarding of assets.</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 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>As of 31 December 2025, IAD is supervised by Assistant Manager, Encik Mohammad Pirdaus and supported by one (1) Internal Audit Executive. He ensures the department operates in compliance with the standards established by relevant professional bodies, specifically the Institute of Internal Auditors Malaysia.</p> <p>The Group has appointed an outsourced internal audit service provider, Baker Tilly Monteiro Heng PLT ("Baker Tilly") to carry out the internal audit function.</p> <p>The purpose of the internal audit function is to provide the Board, through the AC, reasonable assurance of the effectiveness of the system of internal control in the Group.</p> <p>The internal audit function is independent and performs audit assignments with impartiality, proficiency and due professional care.</p> <p>The profile of Baker Tilly is set out as follows:-</p> <table border="1"><tr><td>Date of appointment</td><td>:</td><td>2 September 2024</td></tr><tr><td>Principal Engagement Director</td><td>:</td><td>Ms. Heng Cheng Zin ("Ms. Heng" or "Zin")</td></tr><tr><td>Qualifications</td><td>:</td><td><ul style="list-style-type: none">• Member of Certified Practising Accountant Australia ("CPA")• Chartered Member of Institute of Internal Auditors ("IIA")• Chartered Accountant of Malaysian Institute of Accountants ("MIA")</td></tr></table>	Date of appointment	:	2 September 2024	Principal Engagement Director	:	Ms. Heng Cheng Zin (" Ms. Heng " or " Zin ")	Qualifications	:	<ul style="list-style-type: none">• Member of Certified Practising Accountant Australia ("CPA")• Chartered Member of Institute of Internal Auditors ("IIA")• Chartered Accountant of Malaysian Institute of Accountants ("MIA")
Date of appointment	:	2 September 2024									
Principal Engagement Director	:	Ms. Heng Cheng Zin (" Ms. Heng " or " Zin ")									
Qualifications	:	<ul style="list-style-type: none">• Member of Certified Practising Accountant Australia ("CPA")• Chartered Member of Institute of Internal Auditors ("IIA")• Chartered Accountant of Malaysian Institute of Accountants ("MIA")									

			<ul style="list-style-type: none"> Member of Environment, Social & Governance ("ESG") Association Malaysia
	Experiences	:	<p>Zin has 19 years of internal audit, internal control review, risk management and compliance experience. She has been extensively involved in managing and executing Internal Audit and Compliance review engagements across Asia, Australia, America, Europe, and the Middle East.</p> <p>Zin is well-equipped with extensive knowledge in areas such as governance, risks, controls, business process design, policy and regulation compliance.</p> <p>She amassed expertise in a variety of industries which include REITs, Energy & Utilities, Oil & Gas, Mining, Pharmaceutical and Healthcare, Transportation, Property Management, and Development, Hotels, Retail, Food & Beverage, Government Departments, and non-for-profit organisations. Zin was formerly with Ernst & Young Risk Advisory, Perth, and Abbott Laboratories Singapore.</p>
	Number of resources	:	Baker Tilly deployed 2 to 3 personnel per audit review.
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 Company upholds an ethos of openness and transparency in its interactions with shareholders, investors, and stakeholders. Recognising the pivotal role of effective communication, the Board diligently ensures adherence to the disclosure requirements stipulated by Bursa Malaysia.</p> <p>The AGM serves as the primary platform for shareholder engagement. During the AGM, the Board welcomes inquiries from shareholders concerning the Group's business operations.</p> <p>The Company's Investor Relations meticulously curates a calendar of activities tailored for the investor community. These initiatives aim to furnish investors with comprehensive insights into the Company's strategic direction, financial performance, and latest developments. The investment community remains actively engaged through Quarterly and Financial Results announcements, Investor Relations conferences, in-house analyst briefings, and conference calls.</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>The Notification to Shareholders regarding the Company's fully virtual 31st AGM was dispatched to shareholders on 28 April 2025, exceeding the 28-day threshold prior to the meeting. Additionally, the Notice of AGM was published in The Star newspaper and made accessible on the Company's official website at 28 April 2025. Since 2017, it has been the Company's established practice to issue the Notice of AGM no less than 28 days before the meeting.</p> <p>In order to facilitate meaningful shareholder participation at the AGM, shareholders and investors are regularly apprised of the Group's latest business and corporate developments.</p> <p>In addition to the Annual Report, company updates are disseminated through circulars to shareholders, press releases, quarterly financial results, and various announcements made periodically to Bursa Malaysia. These updates are also prominently featured on 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

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

Practice 13.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>All members of the Board attended the recent 31st AGM, held on 28 May 2025, at the Majestic 2, Level 3, The Majestic Hotel of 5, Jalan Sultan Hishamuddin, Tasik Perdana, 50000 Kuala Lumpur, Wilayah Persekutuan. On this occasion, all board members were present in person to join the AGM, along with the Chairs of respective Board Committees and engaged directly with the shareholders.</p> <p>To facilitate a transparent and interactive shareholder experience, the Chairman of the Board explicitly addressed voting rights. Shareholders and their proxies were informed of their right to request a poll on any resolution presented.</p> <p>Board members, especially the Chairman and CEO, respond to questions raised by shareholders, and where appropriate, the Chairman will undertake to provide a written answer to any significant question that cannot be readily answered at the meetings.</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

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied	
Explanation on application of the practice	:	In the 31st AGM, voting was conducted on a poll in accordance with Paragraph 8.29A of the Main LR of Bursa Malaysia. Shareholders are allowed to appoint any person(s) as their proxies to attend, participate, speak and vote in his stead at the General Meeting.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application :	Applied
Explanation on application of the practice :	<p>At the 31st AGM, the CEO delivered a comprehensive presentation on the Company's financial performance and business operations for the preceding financial year. This presentation aimed to enhance shareholder understanding of the Company's current state of affairs.</p> <p>The meeting facilitated direct interaction between shareholders and Board members. Shareholders were provided the opportunity to ask questions about specific resolutions or the Company's general operations. Furthermore, the Group ensured adequate time for shareholder discussion before each resolution was formally proposed.</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.

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 31st AGM held on 28 May 2025, were published on the Company's website at https://avangaad.com/ir/annual-reports within 30 business days from the 31st 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.

Click or tap here to enter text.