

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5151
COMPANY NAME : HEXSTAR GLOBAL 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 PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	: Applied
Explanation on application of the practice	<p>The Board of Directors ("Board") and Board Committees of Hextar Global Berhad ("Hextar" or "the Company") have their respective roles and responsibilities set out in the Board Charter and Board Committees' Terms of References ("TOR"), which are available on the Company's website, https://ir2.chartnexus.com/hextar/corporate-governance.php.</p> <p>The Board, with the assistance of the Board Committees and Senior Management, oversees the Group's business operations and performance, and is collectively accountable for the long-term sustainability and success of the Group. The Board sets the strategic direction of the Group, ensures that adequate resources are in place to achieve the Company's objectives, and reviews Management's performance in implementing the approved strategies and plans.</p> <p>To effectively discharge its duties and responsibilities, the Board meets regularly to review the corporate strategies, operational performance and key developments of the Group's business segments in agriculture, specialty chemicals and fruits. The Board also provides independent judgement and oversight on matters relating to performance, resources, standards of conduct and environmental, social and governance ("ESG") considerations that support the Group's sustainability agenda.</p> <p>During the financial year under review, the Board undertook the following key responsibilities:</p> <ul style="list-style-type: none">➤ Reviewed and challenged Management's proposals and monitored the implementation of approved strategies and plans. The Group Managing Director, Madam Lee Chooi Keng, with the assistance of the Chief Financial Officer, Ms Phan Nee Chin, regularly updated the Board on the progress of strategic initiatives and operational matters.

	<ul style="list-style-type: none"> ➤ Based on Management’s proposals, the Board had reviewed, challenged, deliberated and approved the following transactions during the financial year under review: <ul style="list-style-type: none"> (i) Proposed Disposal of three (3) pieces of freehold Agricultural Land by PHG Ever Fresh Plantation Sdn. Bhd., an Indirect Subsidiary of HGB via its 51%-Owned Subsidiary, Hextar Fruits Sdn Bhd. (ii) Proposed Acquisitions of Hextar Fert Sdn Bhd, PK Fert Sdn Bhd, PK Fertilizers Sdn Bhd by HGB together with the Proposed Diversification of manufacturing and trading of fertilizers which has reviewed and recommended by the AC to the Board for approval on 23 December 2025. ➤ Reviewed updates from the Risk Management Committee and Management on the Group’s risk profile and mitigation measures to ensure that a robust internal control and risk management framework is maintained. ➤ To support the discharge of its responsibilities, the Board has delegated specific responsibilities to the following Board Committees: <ul style="list-style-type: none"> (i) Audit Committee (“AC”); (ii) Risk Management Committee (“RMC”); (iii) Nomination and Remuneration Committee (“NRC”); (iv) Whistleblowing Committee (“WBC”); and (v) Sustainability Committee (“SC”). ➤ Each Board Committee operates within its respective TOR and makes recommendations to the Board for consideration and approval. During the financial year under review, the WBC did not receive any whistleblowing reports. ➤ The Board Committees invite the Group Managing Director to the meetings to receive updates from the external parties, such as External Auditors (“EA”) and Internal Auditors (“IA”), and to provide necessary clarification to the respective Committees for their assessment and suggestion for improvement. ➤ The Board also receives regular reports from the Chairpersons of the respective Board Committees, as well as the minutes of Board Committee meetings, to keep the Board apprised of matters deliberated and recommendations made. Major decisions are considered collectively by the Board. ➤ The Board received updates from RMC and Management on sustainability initiatives and accomplishments of Hextar Group undertaken by the ESG Committees.
--	--

	<p>➤ The Board is also reviewing performance, appointment, training needs, and succession plan of Senior Management within the Group.</p> <p>With the support of the Board Committees and Senior Management, the Board is able to discharge its roles effectively and in the best interests of the Company and its stakeholders.</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

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>Y.D.H. Professor Dato' Sri Dr. Erwan Bin Dato' Haji Mohd Tahir ("Y.D.H. Professor Dato' Sri Dr. Erwan"), the Independent Non-Executive Chairman of the Company, leads the Board and oversees matters relating to the Board as well as the overall conduct of the Group to ensure that the Board effectively carries out its duties and responsibilities.</p> <p>In carrying out his role, the Chairman guides the Board in upholding sound corporate governance practices and ensures that Board discussions are conducted in an orderly and productive manner. He ensures that the Board receives adequate information for deliberation on key strategic, operational and governance matters, while encouraging Directors to share their views and perspectives during Board deliberations.</p> <p>On 17 December 2025, the Chairman together with all Non-Executive Directors met to discuss key matters relating to the Group's strategy, governance and operations. The discussion was facilitated by the Company Secretary to ensure robust deliberation, and a summary of the discussion was subsequently tabled to the Board for deliberations. The Board subsequently advised Management on improvements to strengthen the Group's strategy and operations.</p> <p>The roles and responsibilities of the Chairman are set out in the Board Charter, which is available on the Company's corporate website at https://www.hextarglobal.com/ir.php</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 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The positions of the Chairman and the Group Managing Director of the Company are held by different individuals with clear and distinct roles and responsibilities as set out in the Board Charter. This separation ensures an appropriate balance of power and authority between the two positions.</p> <p>The Board is chaired by Y.D.H. Professor Dato' Sri Dr. Erwan, the Independent Non-Executive Chairman, whilst Madam Lee Chooi Keng serves as the Group Managing Director of the Company.</p> <p>The Chairman provides leadership to the Board and is responsible for ensuring the effectiveness of the Board in the adoption and oversight of the Company's strategy, governance and compliance matters.</p> <p>The Group Managing Director, with the support of the executive directors and senior management, oversee the daily operations of the Group and is responsible for the development and implementation of the Group's strategies as well as the execution of the Board's decisions and policies.</p> <p>The key roles and responsibilities of the Chairman and the Group Managing Director are set out in the Board Charter, which is available on the corporate website at https://www.hextarglobal.com/ir.php.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>			
Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Y.D.H. Professor Dato' Sri Dr. Erwan, the Independent Non-Executive Chairman of the Company, was also a member of the AC, NRC and RMC as at 31 December 2025.	
		Notwithstanding the above, Y.D.H. Professor Dato' Sri Dr. Erwan maintained his independence and there were no conflicts of interest with the Group that would impair his objectivity in deliberating the observations and recommendations put forth by the respective Board Committees. In addition, he was not involved in the management of the Group's daily operations nor in the formulation and implementation of the Group's strategies, or the Board's suggestions, decisions, and policies of the Company.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Company recognises the significant value of maintaining the independence of the Chairman of the Board, whereby the Chairman should not be a member of the AC and NRC. In this regard, the NRC undertook a review and assessment of suitable candidates and recommended the appointment of Dato' Ong Chong Yi as a new Independent Director, effective 1 January 2026. Following his appointment, Y.D.H. Professor Dato' Sri Dr. Erwan resigned as a member of the AC, NRC and RMC effective from 1 January 2026.	
Timeframe	:	Others	The Company will continue to ensure compliance with this Practice moving forward.

Intended Outcome

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

Practice 1.5

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

Application	: Applied
Explanation on application of the practice	<p>The Board is supported by three (3) qualified Company Secretaries pursuant to Section 235(2) of the Companies Act 2016, whom two (2) are the members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"), namely Mr Tan Tong Lang and Ms Lim Wen Theng, while Ms Phan Nee Chin, the Chief Financial Officer of the Company, is a member of the Malaysian Institute of Accountants ("MIA").</p> <p>The Company Secretaries support the Board in ensuring that Board procedures are followed and that the Group complies with applicable laws, rules and regulations.</p> <p>Under the direction of the Board, the Company Secretaries facilitate effective information flow between the Board, its Board Committees and Management, particularly the Independent and Non-Executive Directors, and advise the Board on governance and compliance matters. Their responsibilities include, among others:</p> <ul style="list-style-type: none">(i) supporting the effective functioning of the Board and its Board Committees in accordance with their Terms of Reference ("TORs"), internal policies and the practices recommended under the MCCG;(ii) coordinating and attending meetings of the Board and Board Committees and ensuring that proceedings are properly recorded and documented;(iii) advising the Board on its roles and responsibilities;(iv) advising the Board and Board Committees on corporate disclosures and compliance with relevant laws, regulations and the Main Market Listing Requirements ("MMLR");(v) advising the Board on the timely disclosure of material announcements to Bursa Malaysia Securities Berhad ("Bursa");(vi) managing the administrative arrangements for Board, Board Committees and shareholders' meetings;(vii) promoting the adoption of good corporate governance practices and monitoring developments in corporate governance; and(viii) serving as a focal point for stakeholder communication on corporate governance matters.

	<p>During the financial year ended 31 December 2025 (“FY2025”), the Board Effectiveness Assessment (“BEA”) was conducted to evaluate the performance of the Board, Board Committees, Independent Directors, Individual Directors and the Board’s overall skills matrix. The assessment was conducted internally by the Company Secretarial function with the assistance of the Secretarial Executive, and the results were compiled and presented to the NRC and Board for deliberations.</p> <p>In addition, the Company Secretaries facilitated a discussion among the Non-Executive Directors (“NEDs”) on matters relating to the Group’s strategy, governance and operations. The outcome of the discussion was summarised and tabled to the Board for deliberation, following which the Board provided guidance to Management on improvements to further strengthen the Group’s strategy and operations.</p> <p>The roles and responsibilities of the Company Secretaries are set out in the Board Charter, which is available on the Company’s corporate website at https://www.hextarglobal.com/ir.php.</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

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>A corporate calendar setting out the scheduled dates of Board meetings, Board Committee meetings and the Annual General Meeting ("AGM"), together with closed period reminders, is prepared and circulated to Directors before the start of each calendar year to facilitate advance planning of their schedules.</p> <p>Prior to each meeting, the Company Secretary ensures that Directors receive a structured agenda together with relevant Board papers and management reports at least five (5) business days in advance, where practicable. In circumstances where certain papers are finalised closer to the meeting date, such as where information is pending from external parties or meetings are convened at short notice, the available materials are circulated first to allow Directors sufficient time for review, with the remaining papers circulated as soon as practicable. The agenda also indicates whether matters are presented for approval, discussion or notation, with appropriate time allocated for each agenda item to facilitate effective deliberation.</p> <p>To support the Board in discharging its responsibilities, Management provides reports containing complete, adequate and timely information, including updates on the Group's financial performance, implementation of strategies, key operational matters, internal audit activities and risk management. Board and Board Committee papers are circulated electronically, while hard copies are provided upon request.</p> <p>In accordance with the Board Charter, the Board meets at least four (4) times a year. During the financial year ended 31 December 2025 ("FY2025"), a total of seven (7) Board meetings were held to deliberate and approve key matters, including the Group's business plans, quarterly financial results, annual report, and the Proposed Acquisitions and Proposed Diversification.</p> <p>The deliberations and decisions of the Board and Board Committees are properly recorded in the minutes of meetings, which are circulated to Directors in a timely manner. Minutes of Board Committee meetings are also circulated to the Board to keep Directors informed of matters discussed. Management and relevant officers attend meetings, where necessary, to provide clarification and updates on matters under deliberation.</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 Company has established a Board Charter which provides a clear framework on the roles, responsibilities and authority of the Board, Board Committees, individual Directors and Management. The Board Charter also serves as a reference document that guides the Board in the discharge of its duties and responsibilities.</p> <p>The Board Charter sets out, among others, the Board structure, composition and independence of Directors, roles and responsibilities of the Board, Chairman, Chief Executive Officer and Managing Director, Executive and Non-Executive Directors, as well as the functions of the Board Committees. It also covers matters relating to Board meetings, Directors' remuneration, induction and training, access to information and independent advice, confidentiality and disclosure of interests, dealing in securities, whistleblowing, anti-bribery and corruption, code of conduct, and investor relations and shareholder communication.</p> <p>The Board Charter also includes a formal schedule of matters reserved for the Board's deliberation and approval. These include, among others, strategic planning and sustainability matters, budgets and performance reviews, quarterly financial results and audited financial statements, key human resource matters, capital expenditure, treasury policies, declaration of dividends, material acquisitions and disposals, major borrowings, appointment of External Auditors and expansion into new business ventures.</p> <p>The Board periodically reviews the Board Charter and the Terms of Reference ("TOR") of the Board Committees to ensure that they remain relevant and aligned with the Board's objectives, the MCCG and applicable regulatory requirements. On 17 November 2025, the Board approved amendments to the Board Charter, TOR of the AC, NRC, RMC to further enhance the Group's governance framework and align with the recent changes to the MMLR.</p>

	The updated Board Charter is available on the Company's corporate website at https://www.hextarglobal.com/ir.php . The updated TOR of the Board Committees and other governance policies adopted by the Company are also available on the same 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 board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has adopted a Corporate Code of Conduct and Ethics ("the Code"), which sets out the standards of conduct expected of the Directors, officers and employees (collectively referred to as "Personnel") of the Company and its subsidiaries in their dealings with each other, shareholders and the wider community.</p> <p>The Code forms part of the Group's governance framework and outlines the principles and standards that guide Personnel in conducting business ethically and in compliance with applicable laws and regulations. It addresses, among others, matters relating to conflicts of interest, personal gifting, protection of company assets and funds, confidentiality of information, inside information and securities trading, outside interests, business records and controls, health and safety, workplace conduct, and compliance with laws.</p> <p>The Code is intended to guide Personnel in recognising and managing ethical risks, provide avenues for reporting unethical conduct, and promote a culture of integrity, accountability and professionalism across the Hextar Group. The Board, together with Management, is committed to ensuring that the Group's businesses are conducted in an ethical manner and in accordance with the highest standards of corporate conduct.</p> <p>In addition, the Company has established a Conflict of Interest Policy to identify, disclose and manage any actual, potential or perceived conflicts of interest that may arise within the Group.</p> <p>The Company had also established a Conflict of Interest policy in order to identify and manage any potential and perceived conflicts of interest that may arise in the Group and procedures are clearly disclosed in the said Policy.</p> <p>This Corporate Code of Conduct and Ethics and is available on the corporate website at https://www.hextarglobal.com/ir.php.</p>

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

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has established a Whistleblowing Policy which provides a formal channel for employees and members of the public to report genuine concerns or suspected misconduct involving the Group, its directors or employees. The policy supports the Group's commitment to upholding high standards of integrity, accountability and ethical conduct in line with good corporate governance practices.</p> <p>Under the policy, reports may be made confidentially and without fear of retaliation. The Chairperson of the Whistleblowing Committee, Mr Yeoh Chin Hoe, the Senior Independent Non-Executive Director ("INED"), is responsible for receiving reports relating to allegations of misconduct or improper activities and ensuring that the complaints are appropriately reviewed and investigated. The identity of the whistleblower and the information provided are kept strictly confidential unless disclosure is required by law.</p> <p>The Whistleblowing Policy is accessible to employees and the public via the Company's corporate website and also serves as a reporting channel for whistleblowing concerns.</p> <p>In addition, the Board has adopted an Anti-Bribery and Corruption Policy ("ABC Policy") which outlines the Group's principles and procedures in preventing bribery and corruption in the course of business. Updates on anti-bribery and corruption matters are reported to the Risk Management Committee ("RMC") by the Company's Compliance Officer during the RMC meetings held in February and August each year. These updates include, among others:</p> <ol style="list-style-type: none">1. Status of awareness and training programmes conducted for employees.2. Response rate for due diligence undertaken from service providers.3. Response rate from service providers on their undertaking to comply with the Group's ABC Policy; and4. Status of Whistleblowing reports received, if any.

	<p>The Group also conducts awareness and training programmes on anti-bribery, integrity and ethics for employees, and such programmes are also provided to new employees as part of the onboarding process.</p> <p>In line with the Guidelines on Adequate Procedures issued pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act 2009, the Group has designated a competent officer to oversee anti-corruption compliance matters. The designated officer is accredited as a Certified Integrity Officer (“CeIO”) by the Malaysian Anti-Corruption Academy.</p> <p>The Whistleblowing Policy and ABC Policy are available on the corporate website at https://www.hextarglobal.com/ir.php.</p>	
Explanation for departure		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure		
Timeframe		

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board together with Senior Management are responsible for the governance of sustainability in the Group including setting the sustainability strategies, priorities, and targets.</p> <p>The Company has established an Environmental, Social and Governance ("ESG") Committee comprising senior management representatives from relevant departments including Health & Safety, Social Compliance & Governance, Human Resources, Finance, Risk & Compliance, and Madam Lee Chooi Keng, a Board Member acting as an advisor, oversees the implementation of the Group's sustainability strategy, monitors progress towards established goals, and recommends improvement initiatives. The Committee also fostering cross-functional collaboration and knowledge sharing among departments on ESG matters.</p> <p>The Department Sustainability Working Group ("DSWR"), comprising representatives from various department within the Group, and is responsible for the day-to-day implementation of the organization's strategies and plans. DSWR is responsible for translating the overarching sustainability strategy into department-specific action plans and initiatives. The working group regularly monitors progress, shares best practices, and collaborates on cross-departmental sustainability initiatives.</p> <p>The Board, through its RMC, received updates twice a year on the sustainability issues of the business operations which included risk management report, sustainability progress in achieving the sustainability goals, ESG activities organised by Hextar Group for the benefit of society, employees and stakeholders. During the financial year under review, the Board was updated by the RMC on the business risks along with the actions taken to mitigate such risks, and continual</p>

	<p>improvement on the Group’s risk management systems in order to ensure growth and sustainability of the businesses.</p> <p>The Board provides guidance on the development of the Company’s business strategies and reviews the effectiveness of all programmes to ensure they are fit-for-purpose and are sustainable. The Board also ensures that sustainability goals are integrated into business goals. Hence, sustainability is naturally a vital facet of the group’s business strategies.</p> <p>In a notable move, Hextar joined the United Nations Global Compact initiative in 2022. This voluntary commitment places the Company among thousands globally dedicated to responsible business practices. It involves adherence to universally accepted principles covering human rights, labour, environment, and anti-corruption. This alignment supports the UN’s broader goals and issues encapsulated in the SDGs.</p> <p>The Company had adopted the ESG Policy, which can be viewed on corporate website at https://www.hextarglobal.com/ir.php.</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

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 as well as targets and performance were communicated to its internal and external stakeholders.</p> <p>The Company conducts awareness training and briefings for its employees to enhance their understanding of sustainability, and it remains committed to engaging with sustainability issues and supporting sustainability initiatives throughout Hextar Group. The Senior Management actively collaborate with Bursa on sustainability matters to enhance Hextar’s ESG ratings.</p> <p>The Company had also taken proactive initiative to conduct employee survey for the ESG purposes, giving opportunity to the employee to provide feedback for further enhancement. External stakeholders were informed by appropriate means such as engagements and company disclosures through announcements, general meetings, Company’s Sustainability Statement, Annual Report and its corporate website.</p> <p>The Company’s comprehensive details of the engagements and targets as well the performance corresponding to these targets were as set out in the Company’s Sustainability Statements and its Corporate Website at https://www.hextarglobal.com/our-sustainability/.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is provided with opportunities to attend relevant training programmes on an ongoing basis to enable Directors to keep abreast of the latest developments in the industry and regulatory environment. This enhances the Board’s competencies in understanding matters relating to sustainability, corporate governance, risk management and strategic issues, including climate-related risks and opportunities relevant to the Company’s business.</p> <p>During the financial year under review, the Directors attended seminars, courses and briefings organised by professional bodies and regulatory authorities, as well as in-house training programmes. Details of the training programmes attended by the Directors are disclosed in the Annual Report 2025.</p> <p>In addition, the Board engages with stakeholders through various communication channels to better understand their needs and expectations, enabling the Board to identify key sustainability issues that are relevant to the Company.</p> <p>The Company’s sustainability strategies provide guidance for the planning and implementation of sustainability initiatives across the Group. The NRC has also reviewed the Board skills matrix and was satisfied that the current Board composition possesses the necessary capabilities to oversee sustainability matters and address sustainability-related risks and opportunities.</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	:	Applied	
Explanation on application of the practice	:	<p>The Board recognises the importance of sustainability risks and opportunities in the Company's business operations.</p> <p>The Company's has included the relevant recommendations under the MCCG into the TOR of NRC as part of its roles and responsibilities, which include the following: -</p> <ul style="list-style-type: none"> • Evaluate and review the performance of the Board and Senior Management including the performance of the Board and Senior Management in addressing the Company's material sustainability risks and opportunities. • Ensure that the remuneration packages for Directors and Senior Management taking into consideration the complexity of the Group's business and the individual's responsibilities and performance, comparable market statistics, and their roles in addressing the Company's material sustainability risks and opportunities and achieving sustainability targets. <p>On 19 January 2026, the NRC reviewed the BEA for FY2025, which included an evaluation of the performance of the Board and Senior Management in addressing the Company's material sustainability risk and opportunities.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- 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.

<i>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.</i>	
Application	: Adopted
Explanation on adoption of the practice	: <p>The Board had appointed Encik Abdul Wahid Bin Abu Bakar (“En Wahid”), a Senior Manager, as the designated person to provide dedicated focus to manage sustainability and to act as the liaison bridge between the Senior Management and the Board. Management had established a ESG Committee to develop the sustainability governance structure to ensure that risks are properly identified and addressed in the wider Enterprise Risk Management Framework.</p> <p>The responsibilities of the designated person in the Committee are:-</p> <ul style="list-style-type: none">(a) Acting as a liaison for the Board of Directors in terms of ESG knowledge and insights;(b) Advising and recommending the Board on the business strategies in the area of sustainability.(c) Monitoring the implementation of sustainability strategies as approved by the Board.(d) Recommending to the Board the sustainability-related policies for adoption and monitoring the implementation of the policies;(e) Recommending to the Board for its approval of the sustainability matters identified as material;(f) Sustainability matters with particular focus on matters material to the Group; and(g) Overseeing the preparation of sustainability disclosures as required by laws and/or rules and recommending it for the Board’s approval. <p>In FY2025, En. Wahid had presented updates during the meetings of the RMC and the Board in February and August concerning the sustainability issues of the business operations including risk management report, sustainability progress in achieving the sustainability goals, ESG activities organised by Hextar Group for the benefit of society, employees and stakeholders.</p> <p>Besides, the Board was updated by the RMC on the business risks along with the actions taken to mitigate such risks and continual improvement on the Group’s risk management systems in order to ensure growth and sustainability of the businesses.</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 Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The NRC is responsible for reviewing the composition of the Board and ensuring that the Board is refreshed periodically with the appropriate balance of skills, experience and independence.</p> <p>On 17 November 2025, two (2) candidates were presented to the NRC for consideration for appointment as Independent Non-Executive Directors of the Company. The NRC had conducted a thorough assessment of the two candidates, including a review of their curriculum vitae, professional experience, and Fit and Proper declarations. Upon the recommendation of the NRC, the Board approved the appointment of the following Independent Directors:</p> <ol style="list-style-type: none">1. Ms Chew Chui Wa (appointed on 17 November 2025)2. Dato' Ong Chong Yi (appointed on 1 January 2026) <p>The NRC conducted the Board Effectiveness Assessment ("BEA") for the FY2025, facilitated by the Company Secretarial function with the assistance of the Secretarial Executive. The assessment covered the performance of the Board as a whole, the Board Committees, individual Directors and the independence of Independent Directors. Questionnaires and evaluation forms were distributed to the Directors for completion, and the results were compiled and presented to the NRC for evaluation and deliberation at the NRC meeting held on 19 January 2026.</p> <p><u>Re-election of Directors</u></p> <p>Based on the NRC's review and the results of the BEA and Fit and Proper assessment, the NRC was satisfied that the retiring Directors had discharged their duties effectively and contributed positively to the Board's deliberations. Accordingly, the Board recommended the re-election of Dato' Ong Soon Ho and Rayburn Azhar Bin Ali, who were due to retire at the 35th AGM in accordance with Clause 127 of the Company's Constitution.</p> <p>The recommendation for re-election was based on the following considerations:</p>

	<ul style="list-style-type: none"> • Their relevant mix of experience, skills, industry knowledge on business, expertise and core competency that is beneficial to the Company. • Their fulfilment of the criteria set out in the Directors’ Fit and Proper Policy. • Their active participation and constructive contributions during board deliberations. • Their commitment in devoting adequate time in discharging their duties and responsibilities as Directors, work constructively with other Board members, attend meetings with well preparation and add values to Board meetings. <p><u>Retention of Yeoh Chin Hoe as a Senior INED of the Company</u></p> <p>The NRC deliberated on the proposal to retain Mr Yeoh Chin Hoe as the Senior Independent Non-Executive Director of the Company, as well as the Chairman of the AC and WC, and a member of the NRC and RMC.</p> <p>In assessing his independence, the NRC considered, among others, his ability to exercise independent judgement and provide objective challenge during Board deliberations, his active participation and constructive contributions to the Board and Board Committees. The NRC was satisfied that Mr Yeoh has remained objective and independent in the discharge of his duties.</p> <p>After due consideration, the NRC was of the view that Mr Yeoh’s extensive experience and leadership as Chairman of the AC continue to provide valuable oversight to the Group, particularly in strengthening the Group’s governance framework, internal control environment and financial oversight. In addition, the Board considered Mr Yeoh’s continued service beneficial in providing guidance to the Board in relation to the Group’s ongoing corporate exercises, including the Proposed Acquisition, Related Party Transaction (“RPT”) which are currently in progress.</p> <p>The Directors’ Fit and Proper Policy is available on corporate websites at https://www.hextarglobal.com/ir.php.</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 Company has a diverse Board comprising six (6) Directors, including three (3) Independent Non-Executive Directors (“INEDs”), one (1) Non-Independent Non-Executive Director (“NINED”) and two (2) Executive Directors.</p> <p>The INEDs and NINED provide independent judgement and constructive challenge during Board and Board Committee deliberations, thereby ensuring an appropriate balance of power and authority within the Board and safeguarding the interests of the Company and its shareholders.</p> <p>The NRC conducts an annual assessment of the independence of the INEDs. Self-assessment forms are completed by the Independent Directors to facilitate the NRC’s review of their independence.</p> <p>Based on the assessment conducted for the FY 2025, the three (3) INEDs confirmed that they do not have any relationships with the Company, its related corporations, subsidiaries, shareholders or officers that could interfere with the exercise of their independent judgement. The NRC and the Board were satisfied that the INEDs continued to demonstrate independence and objectivity in the discharge of their duties.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	<p>The Board, upon the recommendation of the NRC, approved the appointment of the following INEDs:</p> <ol style="list-style-type: none">1. Ms Chew Chui Wa (appointed on 17 November 2025)2. Dato’ Ong Chong Yi (appointed on 1 January 2026) <p>As at 1 January 2026, the Board comprises seven (7) Directors with four (4) INEDs, one (1) NINED and two (2) Executive Directors. Accordingly, the Company has complied with this Practice. The Company will continue to ensure compliance with this Practice moving forward.</p>	
Timeframe	:	Others	Applied on 1 January 2026.

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>For the FY 2025, none of the Independent Directors of the Company had served on the Board for a cumulative term exceeding nine (9) years.</p> <p>The tenure of all Independent Directors is as follow:</p> <ul style="list-style-type: none">• YDH Professor Dato' Sri Dr. Erwan – 8 years• Mr Yeoh Chin Hoe – 8 years• Ms Chew Chui Wa – less than 1 year (appointed 17 November 2025) <p>The Company's Board Charter provides that an Independent Director who has served the Board for more than nine (9) years may continue to serve on the Board as a Non-Independent Director, subject to the NRC's assessment and shareholders' approval via a two-tier voting.</p> <p><u>Retention of Yeoh Chin Hoe as a Senior INED of the Company</u></p> <p>Mr Yeoh Chin Hoe will reach the nine (9)-year tenure limit on 22 May 2026. The NRC has assessed his independence and was satisfied that he continues to exercise independent judgement and provide valuable contributions to the Board. The Board will seek shareholders' approval for his retention as a Senior Independent Director at the forthcoming 35th AGM via two-tier voting.</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	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The NRC is guided by its TOR, the Board Charter as well as the Director's Fit and Proper Policy in overseeing the nomination, appointment and re-appointment processes for Directors of the Company.</p> <p>The NRC also conducts an annual assessment on the effectiveness of the Board, Board Committees and the performance of individual Directors through the BEA. The NRC considers the Board's skills matrix in identifying suitable candidates to ensure that the Board collectively possesses the appropriate mix of skills, experience and expertise required to support the Group's business and strategic objectives.</p> <p>In assessing the suitability of candidates and Directors seeking re-election, the NRC also considers their existing commitments to ensure that they are able to devote sufficient time and attention to the discharge of their responsibilities.</p> <p><u>Appointment of Independent Directors</u></p> <p>On 17 November 2025, two (2) candidates were presented to the NRC for consideration for appointment as Independent Non-Executive Directors of the Company, comprising one (1) male and one (1) female candidate. In evaluating the candidates, the NRC considered the Board's skills matrix, the candidates' experience, expertise, independence and diversity attributes to ensure that the Board maintains an appropriate balance of skills and perspectives. The NRC conducted a thorough assessment of the candidates, including a review of their curriculum vitae, professional experience and Fit and Proper declarations.</p> <p>After due deliberation, the NRC was satisfied that the candidates possessed the relevant experience, expertise and attributes required to contribute effectively to the Board and recommended their appointments to the Board. The Board subsequently approved the appointment of the following Independent Directors:</p>

	<p>1. Ms Chew Chui Wa (appointed on 17 November 2025)</p> <ul style="list-style-type: none"> • Possesses more than 17 years of experience in auditing, investment banking and corporate advisory, with extensive involvement in IPOs and investor relations for public listed companies. • Her appointment also enhances the Company’s gender diversity in line with MCCG’s recommendation of at least 30% female representation on the Board. <p>2. Dato’ Ong Chong Yi (appointed on 1 January 2026)</p> <ul style="list-style-type: none"> • Brings extensive experience in public administration, international trade, and diplomacy, having held leadership roles in government, academia, and industry. • His appointment will strengthen the Board’s strategic perspective and governance oversight. <p><u>Re-election of Directors</u></p> <p>Based on the NRC’s review and the results of the BEA and Fit and Proper assessment, the NRC was satisfied that the retiring Directors had discharged their duties effectively and contributed positively to the Board’s deliberations. Accordingly, the Board recommended the re-election of Dato’ Ong Soon Ho and Rayburn Azhar Bin Ali, who were due to retire at the 35th AGM in accordance with Clause 127 of the Company’s Constitution. The recommendation for re-election was based on the following considerations:</p> <ul style="list-style-type: none"> • their relevant experience, skills, industry knowledge and expertise which are beneficial to the Company; • their compliance with the criteria set out in the Directors’ Fit and Proper Policy; • their active participation and constructive contributions during Board deliberations; and • their commitment in devoting sufficient time and attention to the discharge of their responsibilities as Directors. <p>The TOR of NRC and Directors’ Fit and Proper Policy are available on the corporate website at https://www.hextarglobal.com/ir.php.</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

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

Practice 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company adopts a formal and transparent process in identifying suitable candidates for appointment as Directors. The NRC is responsible for evaluating and recommending suitable candidates for appointment to the Board.</p> <p>During the financial year under review, Management presented two (2) candidates for appointment as Independent Non-Executive Directors to the NRC for consideration. The NRC assessed and deliberated on the suitability of the candidates at its meeting held on 17 November 2025, and subsequently recommended their appointments to the Board for approval.</p> <p>The NRC also noted that a casual vacancy had arisen following the resignation of a Director. In addition, two (2) Independent Directors were approaching the nine (9)-year tenure limit. YDH Professor Dato' Sri Dr. Erwan confirmed his retirement at the forthcoming AGM, while Mr Yeoh Chin Hoe would continue to serve as Chairman of the AC. Taking these circumstances into consideration, and to maintain an appropriate Board composition as well as ensure continuity in the leadership of the AC, the NRC determined that the appointment of two (2) Independent Directors was necessary.</p> <p>In evaluating the candidates, the NRC considered the Board's skills matrix, as well as their experience, expertise, independence and diversity attributes to ensure that the Board maintains an appropriate balance of skills, experience and perspectives required to support the Group's business and strategic objectives. The NRC was satisfied that both candidates met the criteria set out in the Directors' Fit and Proper Policy and were suitable for appointment to the Board. The appointment of Ms Chew Chui Wa also enhances the Company's gender diversity in line with the Practice 5.9 of MCGG recommendation of at least 30% female representation on the Board.</p>

	Both candidates had completed the Fit and Proper declaration and confirmed that they did not have any actual or potential conflict of interest, including any business, family or other relationships that could impair their ability to exercise independent judgement and discharge their duties objectively.	
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	:	<p>The Board, upon the recommendation of the NRC, supported the re-election of Dato' Ong Soon Ho and Mr Rayburn Azhar Bin Ali, who were due to retire at the Company's 35th AGM in accordance with the Company's Constitution, after having assessed that they possess the character, experience, integrity, competence and time required to effectively discharge their responsibilities as Directors of the Company.</p> <p>The Board had also provided the justification for supporting the re-election of the retiring Directors in the Explanatory Notes to the Notice of the 35th AGM, to enable shareholders to make informed decisions on their re-election.</p> <p>The profiles and relevant details of the Directors standing for re-election were also disclosed in the Annual Report 2025.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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>In supporting the Board’s ongoing succession planning and Board renewal process, the Chairperson of the NRC, plays a key role in leading the nomination process and the evaluation of Board effectiveness.</p> <p>During the FY2025, the Chairperson of the NRC, Mr Liew Jee Min @ Chong Jee Min (“Mr Chong”), led the succession planning for the Board and oversaw matters relating to Board composition and the development of a diverse pipeline for Board succession.</p> <p>The NRC Chairperson also led the annual Board Effectiveness Assessment (“BEA”) for the financial year ended 31 December 2024, which was conducted on 22 January 2025 with the assistance of the Company Secretary. The NRC reviewed the results of the BEA, including the performance of the Board, Board Committees and individual Directors, and identified areas for improvement. The findings and recommendations arising from the assessment were subsequently tabled to the Board for deliberation.</p> <p>Following the resignation of Mr Chong on 15 October 2025, Mr Yeoh Chin Hoe, the Senior Independent Non-Executive Director, assumed the role of Chairperson of the NRC and led the process for the appointment of new Directors, ensuring that the selection of candidates was conducted in a structured and objective manner.</p> <p>Notwithstanding the changes during FY2025, the NRC continued to comprise Independent Non-Executive Directors, thereby ensuring objectivity and independence in the nomination and succession planning processes.</p> <p>Subsequently, the Company appointed Dato’ Ong Chong Yi, an Independent Non-Executive Director, as Chairman of the NRC with effect from 1 January 2026. Following his appointment, Mr Yeoh Chin Hoe was redesignated as a member of the NRC, while YDH Professor Dato’ Sri Dr. Erwan resigned as a member of the NRC. This restructuring forms part of the Company’s initiative to adopt Practice 1.4 of the MCCG, which recommends that the Chairman of the Board should not be a member of the NRC.</p>

	<u>Composition of the Nomination and Remuneration Committee</u>	
	Chairperson	
	Name	Remarks
	Mr Liew Jee Min @ Chong Jee Min	Resigned on 15 October 2025
	Yeoh Chin Hoe	15 October 2025 – 31 December 2025
	Dato Ong Chong Yi	Appointed as Chairman on 1 January 2026
	Members	
	Name	Remarks
	Yeoh Chin Hoe	Member until 15 October 2025; redesignated as member on 1 January 2026
	Ms Chew Chui Wa	Appointed on 17 November 2025
Dato' Ong Chong Yi	Appointed on 1 January 2026	
Y.D.H. Professor Dato' Sri Dr. Erwan	Resigned on 31 December 2025	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board recognises the importance of gender diversity in enhancing Board effectiveness and supports the MCCG’s recommendation that at least 30% of the Board comprises women directors.</p> <p>Prior to the appointment of Ms Chew Chui Wa, Madam Lee Chooi Keng, the Group Managing Director, was the sole female Director on the Board. With the appointment of Ms Chew Chui Wa as an Independent Non-Executive Director during the financial year under review, the Board comprises 33.33% women Directors, which in line with the Practice.</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 5.10

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 recognises the importance of diversity in senior management as part of building a sustainable leadership pipeline for the Group. In this regard, the Company has adopted a Diversity Policy for the Board and Senior Management, which sets out the Company's commitment to ensuring that appointments are based on objective criteria, merit and diversity in skills, experience, age, cultural background and gender, as well as equal opportunity regardless of gender, ethnicity, age and nationality. The Policy is available on the Company's corporate website at https://www.hextarglobal.com/ir.php.</p> <p>Under the Diversity Policy, the Company aims to maintain at least 20% women representation in Senior Management positions. For the financial year under review, the Group had two (2) women out of six (6) key Senior Management members, representing 33.33%, which exceeds the target set out in the Policy.</p> <p>The Board, through the NRC, will continue to monitor gender diversity within senior management and ensure the development of a healthy and sustainable talent pipeline within the Group.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The Board undertakes a formal and objective annual evaluation to assess the effectiveness of the Board as a whole, its Board Committees and the performance of each individual Director. The evaluation process is overseen by the NRC in accordance with its TOR and is facilitated by the Company Secretarial function with the assistance of the Secretarial Executive.</p> <p>The NRC conducted the Board Effectiveness Assessment (“BEA”) for the FY2025 through a structured questionnaire and self & peer evaluation process completed by all Directors. The results of the BEA were reviewed and deliberated by the NRC at its meeting held on 19 January 2026, before being presented to the Board for deliberation.</p> <p>The assessment covered, among others:</p> <ul style="list-style-type: none">• effectiveness of the Board as a whole, including Board structure, governance practices and meeting processes;• performance and contribution of individual Directors in terms of participation, quality of input and understanding of their roles and responsibilities;• effectiveness of the Board Committees in discharging their duties in accordance with their respective TOR; and• independence and suitability of the Independent Directors in accordance with the MMLR of Bursa. <p>All Directors provided anonymous feedback as part of the evaluation process, which enabled the NRC to objectively assess the performance and effectiveness of the Board and its Committees.</p> <p>Based on the outcome of the assessment, the Board was satisfied that the Board, Board Committees and individual Directors had performed effectively during the financial year under review. The Board also</p>

	<p>confirmed that all Independent Non-Executive Directors continued to meet the independence criteria under the MMLR.</p> <p><u>Areas for Enhancement</u></p> <p>The assessment also identified several opportunities to further enhance the effectiveness of the Board, including:</p> <ul style="list-style-type: none"> • strengthening structured training and development programmes for Directors beyond mandatory requirements; • enhancing the depth of forward-looking and strategic discussions at Board level; • reinforcing awareness of the procedures for Directors to seek independent professional advice at the Company’s expense; and • strengthening the Board’s collective expertise in digitalisation, technology, cybersecurity and environmental, social and governance (“ESG”) matters. <p>These areas are incremental in nature and do not detract from the Board’s overall effectiveness. Subject to the guidance of the NRC, Management will take the necessary steps to address these areas, including recommending relevant training programmes for Directors.</p> <p>The results of the BEA were also taken into consideration in supporting the Board’s recommendation for the re-election of retiring Directors at the forthcoming AGM, as well as in guiding future Board composition and succession planning.</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 level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has adopted a Remuneration Policy for Directors and Senior Management, which provides the framework for determining the remuneration packages of Directors and Senior Management. The Policy aims to ensure that remuneration is fair and competitive, taking into account the responsibilities, performance, skills and experience required, while supporting the Company's ability to attract, motivate and retain suitable individuals to drive the Group's long-term objectives.</p> <p>The remuneration packages of Executive Directors and Senior Management are aligned with the Group's corporate objectives and performance, while the remuneration of Non-Executive Directors reflects their experience, responsibilities and contributions to the Board. The remuneration of Independent Non-Executive Directors is structured to ensure that it does not compromise their independence and objectivity in discharging their duties.</p> <p>The fees payable to the Non-Executive Directors are subject to shareholders' approval at the AGM.</p> <p>The Remuneration Policy is available on the Company's corporate website at https://www.hextarglobal.com/ir.php.</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 Company has established the Nomination and Remuneration Committee ("NRC"), which comprises entirely Independent Non-Executive Directors. The NRC is responsible for implementing the Company's remuneration policies and procedures, including reviewing and recommending matters relating to the remuneration of Directors and Senior Management to the Board for approval.</p> <p>The NRC reviewed the proposed revisions to its TOR on 17 November 2025 to align with the MMLR and MCCG and recommended the same to the Board for approval.</p> <p>The duties and responsibilities of the NRC are set out in the TOR of the NRC, which are available on the Company's corporate website at https://www.hextarglobal.com/ir.php.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	Details of the Board's remuneration of the Company and the Group on a named basis for the FY2025 are set out below. <i>Explanatory Note to Mr Rayburn Azhar bin Ali's other emoluments: *The other emoluments of Mr Rayburn Azhar bin Ali comprise of Directors' Profit Sharing and Benefits.</i>

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	Y.D.H. Professor Dato' Sri Dr. Erwan Bin Dato' Haji Mohd Tahir	Independent Director	78	9	0	0	0	0	87	0	0	0	0	0	0	0
2	Dato' Ong Soon Ho	Non-Executive Non-Independent Director	60	8	0	0	0	0	68	0	0	0	0	0	0	0
3	Lee Chooi Keng	Executive Director	0	0	0	0	0	0	0	0	0	750	250	280	38	1,318
4	Rayburn Azhar Bin Ali	Executive Director	0	0	0	0	0	0	0	0	0	720	0	128	2,122	2,970
5	Yeoh Chin Hoe	Independent Director	66	9	0	0	0	0	75	0	0	0	0	0	0	0
6	Chew Chui Wa (Appointed on 17 November 2025)	Independent Director	7	2	0	0	0	0	9	0	0	0	0	0	0	0
7	Liew Jee Min @ Chong Jee Min (Resigned on 15 October 2025)	Independent Director	50	6	0	0	0	0	56	0	0	0	0	0	0	0
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

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

Practice 8.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board has decided to depart from disclosing the remuneration of the top five (5) Senior Management on a named basis in bands of RM50,000 as the Board is of the view that such disclosure may give rise to unhealthy competition among Senior Management.</p> <p>In addition, given the competitive nature of the industries in which the Group operates, the Board considers it appropriate to safeguard the confidentiality of sensitive personal information relating to employees' remuneration packages.</p> <p>Notwithstanding the above, the remuneration of Senior Management continues to be reviewed and assessed by the NRC. In determining the appropriate remuneration packages, the NRC takes into consideration various factors including the individual's responsibilities, skills, experience and contributions to the Group's overall performance.</p> <p>The NRC also assesses whether the proposed remuneration packages are competitive and aligned with the Group's strategic objectives in order to attract and retain qualified and experienced personnel while ensuring that remuneration practices remain fair and appropriate.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Company will continue to review the appropriateness of disclosing the remuneration of the top five (5) Senior Management on a named basis in bands of RM50,000 in accordance with this Practice.
Timeframe	:	Others
		The Board will continue to review this Practice annually.

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Chairman of the Audit Committee ("AC") is Mr Yeoh Chin Hoe, a Senior Independent Non-Executive Director, while the Chairman of the Board is Y.D.H. Professor Dato' Sri Dr. Erwan, an Independent Non-Executive Director.</p> <p>As such, the positions of the Chairman of the Board and the Chairman of the AC are held by different individuals, which enables the Board to objectively review the AC's findings and recommendations. This structure also allows the AC Chairman to devote sufficient time and attention to matters under the purview 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

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 Group recognises the importance of maintaining the independence of the External Auditors ("EA") and ensuring that no conflict of interest arises in the discharge of the Audit Committee's responsibilities.</p> <p>In line with this, the Company has adopted a policy requiring a former key audit partner of the external audit firm to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC. This requirement is stipulated in the TOR of the AC as well as the External Auditors Policy, in line with the MCCG.</p> <p>As at the date of this report, none of the members of the Board or the AC were former key audit partners of the Company's external audit firm.</p> <p>The TOR of the AC and EA Policy are available on the Company's corporate website at https://www.hextarglobal.com/ir.php.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>To facilitate the AC in discharging its responsibilities, the Company has adopted an EA Policy, which sets out the policies and procedures for the selection and appointment of EA to be in line with the practices of MCCG. The EA Policy is available on the Company's corporate website at https://www.hextarglobal.com/ir.php.</p> <p>During the financial year under review, the suitability, independence and performance of the EA, Crowe Malaysia PLT ("Crowe"), were assessed in accordance with the EA Policy. The assessment was carried out jointly by the CFO and the Chairman of the AC, taking into consideration, among others, Crowe's competence, audit quality, adequacy of resources and professional independence in carrying out the statutory audit of the Group.</p> <p>The results of the assessment were tabled at the AC meeting held on 17 November 2025 for deliberation. Following the assessment, the AC was satisfied with the performance and independence of Crowe for the FY2025 and recommended to the Board the re-appointment of Crowe as the External Auditors, for the Board's recommendation to shareholders for approval at the forthcoming 35th AGM.</p> <p>Crowe has also provided written confirmation to the AC that they have complied with the relevant ethical and professional requirements regarding their independence throughout the conduct of the audit engagement with the Group.</p> <p>The AC also reviews the non-audit services provided by the EA to ensure that such services do not impair the independence and objectivity of the EA. All non-audit services are required to be reviewed and approved by the AC prior to engagement.</p> <p>In addition, the Company has established a framework governing the engagement of non-audit services by the EA. Management is authorised to engage the EA for non-audit services with a cumulative annual value not exceeding 50% of the Group's prior year audit fees, provided that such services are recurrent in nature or related to the statutory audit.</p>

	Any engagement exceeding this limit requires the prior approval of the AC.	
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	:	<p>The AC comprises solely of INEDs as follow:</p> <p>Chairperson Yeoh Chin Hoe <i>Senior Independent Non-Executive Director</i></p> <p>Members YDH Professor Dato' Sri Dr. Erwan (Resigned on 1 January 2026) <i>Independent Non-Executive Director</i></p> <p>Ms Chew Chui Wa (Appointed on 17 November 2025) <i>Independent Non-Executive Director</i></p> <p>Dato' Ong Chong Yi (Appointed on 1 January 2026) <i>Independent Non-Executive Director</i></p>

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairperson of the AC, Mr Yeoh Chin Hoe, is a member of the Malaysian Institute of Certified Public Accountants ("MICPA") and the Malaysian Institute of Accountants ("MIA"), and a Fellow of the Association of Chartered Certified Accountants ("ACCA") and the Institute of Chartered Secretaries and Administrators (UK). The members of the AC collectively possess the relevant skills, knowledge and experience in areas such as accounting, finance, law, audit and business administration, enabling them to effectively discharge their responsibilities.</p> <p>All AC members are financially literate and have a sound understanding of the Group's business operations. During the financial year under review, they attended relevant conferences, seminars and training programmes to keep abreast of regulatory developments and financial reporting standards. Details of the training programmes attended are disclosed in the Corporate Governance Overview Statement of the Annual Report 2025.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is responsible for establishing and overseeing a comprehensive system of risk management and internal controls, including financial, operational, compliance and information technology controls, and for reviewing the adequacy and effectiveness of these systems on an ongoing basis.</p> <p>Management is responsible for the implementation and monitoring of the Group's internal control framework and ensuring compliance with the established policies and procedures. The AC assists the Board in discharging its responsibilities in relation to the review of the effectiveness of the Group's internal control systems.</p> <p>The Group has established a risk management and internal control framework which outlines the processes, procedures and controls relating to financial, operations and compliance matters, as well as risk management practice. These controls are embedded into the Group's operations and are applied consistently across the organisation.</p> <p>With the assistance of the Risk Management Committee ("RMC") and the Risk Management Working Group within the subsidiaries, the Board identifies and evaluates potential risks, determines the Group's risk tolerance levels and implements appropriate measures to mitigate identified risks in order to safeguard the Group's assets and shareholders' investments.</p> <p>The Board has delegated certain responsibilities to Management to monitor the effectiveness of the Group's internal control systems in day-to-day operations, with the results being reported periodically to the RMC and AC.</p> <p>Further details on the Group's risk management framework and internal control system are set out in the Statement on Risk Management and Internal Control in the Annual Report 2025.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 10.2

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>Management regularly reviews the Group's business and operational activities to identify and assess key risk areas, including financial, operational, regulatory compliance, reputational, cyber security and sustainability risks. Appropriate control measures and mitigate strategies are implemented to manage these risks. Significant matters arising from the reviews are reported to the RMC, AC and the Board for deliberations. The adequacy and effectiveness of the Group's internal control systems are also reviewed through periodic assessments and audits conducted by Management, the Internal Auditors and the External Auditors. Any material non-compliance or control weakness identified, together with the corresponding corrective actions, are reported to the AC for further review and monitoring.</p> <p>The Board, with the assistance of the RMC and AC, conducts an annual review of the effectiveness of the Group's risk management and internal control framework based on the findings and recommendations presented by the IA and EA. This review enables the Board to evaluate whether the existing controls remain adequate and appropriate in managing the Group's key risks. Further details on the Group's risk management framework, internal control systems and the key features of these processes are set out in the Statement on Risk Management and Internal Control in this Annual Report 2025.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies 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 RMC comprises majority of Independent Non-Executive Directors and the RMC members are:-</p> <p><u>Chairperson</u> Madam Lee Chooi Keng <i>Group Managing Director</i></p> <p><u>Members</u> YDH Professor Dato' Sri Dr. Erwan (Resigned on 31 December 2025) <i>Independent Non-Executive Director</i></p> <p>Yeoh Chin Hoe <i>Senior Independent Non-Executive Director</i></p> <p>Dato' Ong Chong Yi (Appointed on 1 January 2026) <i>Independent Non-Executive Director</i></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 Group has outsourced its internal audit function to an independent professional internal audit service provider, Eco Asia Governance Advisory Sdn. Bhd. ("IA"), to provide independent assessment on the adequacy and effectiveness of the Group's risk management and internal control systems, including governance, anti-corruption and whistleblowing processes.</p> <p>The IA performs its functions independently and reports directly to the AC, to ensure its independence from Management and the operational activities it audits. The IA presents its audit findings and recommendations to the AC on a quarterly basis.</p> <p>The internal audit activities include identifying key risk areas, assessing the adequacy and effectiveness of internal controls, and recommending improvements to strengthen the Group's control environment. The IA also updates the AC on the status of the internal audit plan and follow-up actions taken by Management to address issues raised in previous audit reports.</p> <p>The AC reviews the internal audit reports and ensures that appropriate corrective actions are taken by Management within the agreed timeline. The AC also monitors the progress of outstanding audit issues and seeks clarification from Management where necessary on a quarterly basis.</p> <p>During the financial year under review, the IA conducted audits on selected operational areas of the Group, including Cash Management and Sales & Marketing Reviews for PHG.Ever Fresh (M) Sdn Bhd, Inventory Management Reviews for Hextar Secadyme Sdn Bhd and Alpha Aim (M) Sdn Bhd, and recommended improvements to enhance internal controls and operational efficiency.</p> <p>On 17 November 2025, with the assistance of Management, the AC assessed the competency, independence, experience and adequacy of resources of Eco Asia in carrying out the internal audit function, including the scope of work and quality of the internal audit services provided. Based on the assessment, the AC was satisfied with the performance of Eco Asia.</p>

	<p>In addition, the AC noted Management’s proposal to establish an in-house Internal Audit function to strengthen oversight of the Group’s internal audit activities. The outsourced internal auditor will continue to support the Group until the completion of the final audit cycle, after which the Company will transition to the in-house Internal Audit function.</p> <p>The AC Chairman, together with Management, interviewed a suitable candidate for the internal audit function. On 17 November 2025, the AC was informed that the AC Chairman had interviewed and was satisfied with the proposed candidate, namely Mr Tee Er Wee, who was subsequently recruited as a General Manager. He is expected to commence internal audit activities from the first quarter 2026 and will report directly to the AC.</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>The Group’s internal audit function is outsourced to Eco Asia Governance Advisory Sdn Bhd (“IA”), an independent professional firm responsible for evaluating and monitoring the effectiveness of the Group’s risk management and internal control systems. The IA findings and recommendations are reported directly to the AC.</p> <p>The internal audit engagement team is headed by Ms Janeeta Salim, the Head of Department of Eco Asia Governance Advisory. She is an Associate Member of the Institute of Internal Auditors of Malaysia (IIAM). During the FYE 2025, she was supported by a team consisting of one (1) Manager, one (1) Assistant Manager, two (2) Senior Consultants and two (2) Junior Consultants for the quarterly review. The IA engagement team is independent of the Group’s operational activities and performs its work with due professional care in accordance with the International Professional Practices Framework (“IPPF”) issued by the Institute of Internal Auditors. The internal audit plan is developed using a risk-based approach focusing on the Group’s key risk areas.</p> <p>Based on the internal audit reviews conducted during the financial year, the AC and the Board are satisfied that the internal audit function has provided independent assurance on the adequacy and effectiveness of the Group’s risk management and internal control systems.</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 Company complies with the disclosure requirements and continuing listing obligations prescribed under the MMLR of Bursa. The Board acknowledges the importance of fostering effective, transparent, and regular communication with the Company's stakeholders and shareholders, and is committed to ensuring that stakeholders are provided with accurate, timely and relevant information to facilitate informed decision-making.</p> <p>Hextar has a diverse group of stakeholders who are interested in the Group's business strategies, corporate direction and operational performance. The Board therefore emphasises the importance of maintaining constructive engagement with stakeholders and ensuring transparent communication to address their information needs.</p> <p>The Board and Management engage with stakeholders through various communication channels to ensure that timely and accurate information relating to the Group's strategies, performance and developments are disseminated to the public.</p> <p>The principal communication channels adopted by the Company include the following:</p> <p>(i) Bursa Malaysia Securities Berhad ("Bursa")</p> <ul style="list-style-type: none">• The Company ensures that material announcements, including updates on material information, corporate exercises and progress of corporate developments, are released to shareholders and stakeholders through Bursa in a timely manner.• For the benefit of stakeholders, the Company endeavours to provide summary updates on its business operations and financial position on a quarterly basis via press releases to Bursa. <p>(ii) Corporate Website</p> <ul style="list-style-type: none">• The Company's corporate website https://www.hextarglobal.com/ under the "Investor Relations" section provides corporate information such as the stock information, interactive chart, annual reports, quarterly reports,

	<p>corporate governance documents (including the Board Charter, TOR of Board Committees and relevant policies), analyst briefing, general meetings and the Company announcements released on Bursa.</p> <ul style="list-style-type: none"> • The Board Charter, TOR for all Board Committees, and the Group’s policies are kept up to date and accessible on the Company’s corporate website in a timely manner. • The Company’s corporate website under the under “Our Sustainability” section https://www.hextarglobal.com/our-sustainability/ provides updates on the Group’s sustainability initiatives, including its sustainability commitments, climate change considerations relating to CO₂/GHG emissions, Environmental, Social and Governance (“ESG”) initiatives and sustainability targets, together with the performance achieved for FY2025. <p>(iii) General Telephone, Fax, Email and Direct Message Via Corporate Website</p> <ul style="list-style-type: none"> • The Company utilises its corporate website as a communication platform with stakeholders, enabling them to submit enquiries directly to a designated contact person via email. • The Company’s general telephone number, fax number and enquiry email address are also provided to enable stakeholders to communicate directly with the Company. • Stakeholders may also send enquiries through the “Send Us a Message” feature available under the “Contact Us” section of the Company’s corporate website. <p>In addition, the Annual General Meeting (“AGM”) serve as important platforms for dialogue between the Company and its shareholders. Shareholders are given the opportunity to raise questions and seek clarification on the Company’s business operations and financial performance.</p> <p>Further details of the Company’s stakeholder engagement practices are set out in the Sustainability Statement in the Annual Report 2025.</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

Intended Outcome

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

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

Practice 12.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>The Company has classified as a Large Company in 2021 and has yet to adopt integrated reporting based on a globally recognised framework. The Board is currently evaluating the feasibility and of adopting integrated reporting in the future.</p> <p>Nevertheless, the Company provides comprehensive disclosures in its Annual Report, including the Management Discussion and Analysis Statement, Sustainability Statement, as well as other financial and non-financial information, which aim to provide transparency and accountability to stakeholders.</p> <p>In addition, the Company ensures that all material information is communicated to stakeholders in a timely manner through its quarterly financial results, annual reports, press releases and announcements released via Bursa Malaysia Securities Berhad.</p> <p>Through these disclosures, the Company continues to provide stakeholders with a holistic understanding of the Group's performance, strategies and sustainability initiatives, which is consistent with the objectives of integrated reporting.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Company will continue to evaluate the adoption of integrated reporting based on a globally recognised framework.	
Timeframe	:	Others	Ongoing

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 Board is committed to ensure that the Notice of AGM is circulated to shareholders at least twenty-eight (28) days prior to the date of the meeting.</p> <p>For the financial year under review, the Notice of the 34th AGM was issued on 29 April 2025 for the AGM held on 30 May 2025, providing shareholders with more than 28 days' notice. The Board recognises that providing adequate notice would allow shareholders have sufficient time to make arrangements to attend or participate in the AGM, including appointing proxies, attorney or corporate representatives.</p> <p>The Notice of AGM sets out the agenda and resolutions to be tabled at the meeting, accompanied with detailed explanatory notes for each proposed resolution. This enables shareholders to have sufficient information to consider the matters to be discussed and voted upon at the AGM.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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>The Board acknowledges its responsibilities and stewardship to shareholders through continuous engagement and direct communication during general meetings. All Directors, including the Chairmen of the Board Committees, Chief Financial Officer and Company Secretary, attended the 34th Annual General Meeting (“AGM”) held on 30 May 2025 to provide meaningful responses to questions addressed to them and to engage with shareholders. The external auditors were also present at the AGM to respond to questions relating to the audit and the financial statements.</p> <p>Upon commencement of the AGM, the Chairman informed shareholders that they were encouraged to raise questions or seek clarification on the agenda items and the Company’s business and operations during the meeting. Shareholders were given the opportunity to engage directly with the Board and Management, and the relevant Directors and Management responded to the questions raised.</p> <p>The minutes of the AGM, including responses to questions raised by shareholders, are subsequently published on the Company’s corporate website for reference.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board considers the convenience and accessibility of shareholders when selecting a suitable venue for its AGM. The 34th AGM was held at Hextar Tower, Empire City, which is strategically located and accessible to shareholders.	
	:	Shareholders who were unable to attend the AGM in person were allowed to appoint proxies to attend and vote on their behalf by completing and submitting the proxy form in accordance with the stipulated timeline.	
	:	All resolutions as set out in the Notice of AGM were put to vote by way of poll to ensure equitable participation. The Company had also appointed an independent scrutineer to validate the votes cast at the AGM. The results of the AGM were announced to Bursa Malaysia on the same day, ensuring transparency and timely disclosure.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Company will leverage technology to facilitate electronic voting and remote shareholders' participation at general meetings in 2026, taking into consideration system reliability, cybersecurity and cost efficiency.	
Timeframe	:	Within 1 year	

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 34th AGM on 30 May 2025 was held in person, enabling direct engagement between the Board, senior management and shareholders.</p> <p>The Chairman facilitated the meeting to ensure that shareholders were provided with sufficient opportunity to raise questions and seek clarification on matters relating to the Company's financial and non-financial performance, business operations and long-term strategies. The Chairman, Board members and Management responded to the questions raised by shareholders during the meeting.</p> <p>This interactive engagement allowed shareholders to gain a better understanding of the Group's performance and strategic direction, while providing the Board and Management the opportunity to address shareholders' queries and feedback.</p>
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

Practice 13.5

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

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

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The minutes for the 34 th AGM was published on the corporate website no later than 30 business days after the 34 th AGM. The minutes of the AGM, including responses to questions raised by shareholders, are subsequently published on the Company's corporate website for reference.
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.

