

## **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 7186  
**COMPANY NAME** : SWS CAPITAL BERHAD  
**FINANCIAL YEAR** : December 31, 2024

### **OUTLINE:**

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

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

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

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

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

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group is led by an experienced and diversified Board which comprises professionals from various fields to bring together a balance of skills, mix of experience and expertise in area relevant to enhance the growth of Group's business. The Directors collectively bring with their wide and varied technical, financial, and corporate experience to enable the Board to lead and control the Group effectively.</p> <p><b>Roles and Responsibilities</b></p> <p>The Board's function, amongst others, is to guide the Group on its short and long-term goals, providing advice, stewardship and directions on the management and business of the Group.</p> <p>The Board's principal role include the following:</p> <ul style="list-style-type: none"><li>• reviewing and adopting a strategic plan for the Company, addressing the sustainability of the Group's business;</li><li>• overseeing the conduct of the Group's business and evaluating if its businesses are being properly managed;</li><li>• identifying principal business risks faced by the Group and ensuring the implementation of appropriate internal controls and mitigating measures to address such risks;</li><li>• ensuring that all candidates appointed to senior management positions are of sufficient calibre, including having in place a process to provide for the orderly succession of senior management personnel and members of the Board;</li><li>• overseeing the development and implementation of a shareholder communications policy; and</li><li>• reviewing the adequacy and integrity of the Group's internal control and management information systems.</li></ul>

	<p>To enable the Board to discharge its role and functions effectively, the Board has established the following committees:</p> <ul style="list-style-type: none"> <li>• Audit Committee (“<b>AC</b>”)</li> <li>• Nomination and Remuneration Committee (“<b>NRC</b>”)</li> </ul> <p>The above roles and responsibilities have been formalised in the Board Charter and Terms of Reference (“<b>ToR</b>”) which is uploaded onto the Company’s website at <a href="http://www.swscap.com">www.swscap.com</a>.</p> <p>The Board, together with the Management, is committed to promote good corporate governance culture within the organisation which reinforces ethical, prudent and professional behaviour. As guided by the Malaysian Code on Corporate Governance (“<b>MCCG</b>”), the Board continuously upholds corporate governance standards and values in the organisation and strives to lead by example in strengthening the competitiveness and investor confidence in the capital market.</p> <p><b>Code of Conduct</b></p> <p>The Board has formalised a Code of Conduct which reflects the Group’s vision and core values of integrity, respect and trust. The core areas concerned include the following:</p> <ul style="list-style-type: none"> <li>• compliance with laws</li> <li>• fair dealing</li> <li>• confidentiality and protection of company assets</li> <li>• conflicts of interest</li> <li>• reporting non-compliance</li> <li>• employee</li> <li>• occupational, health, safety and environment</li> <li>• know your customer and proper documentation</li> </ul> <p>The Code of Conduct governs the conduct of the Directors and all employees of the Group and provides guidance on the communication process and the duty to report whenever there are breaches of the same. This Code of Conduct is reviewed and updated from time to time by the Board to ensure that it continues to remain relevant and appropriate.</p> <p>The Code of Conduct can be viewed on the Group’s website.</p> <p><b>Whistle Blowing Policy and Procedures</b></p> <p>To maintain the highest standards of ethical conduct, the Group has a formal Whistle Blowing Policy and Procedures. As prescribed in this policy, the Board gave their assurance that employees’ and third parties’ identities will be kept confidential and whistle-blowers will not be at risk to any form of victimisation or retaliation from their superiors</p>
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	<p>or any member of Executive Management provided that the reporting is in good faith.</p> <p>All concerns raised will be investigated and whistle-blowers can report through telephone or via mail to the Group Managing Director (“<b>Group MD</b>”), Dato’ Chua Heok Wee. If this is considered inappropriate, reports can be made to the AC Chairperson, Ms. Ong Peng Teng.</p> <p>The Whistle Blowing Policy and Procedures can be viewed on the Company’s website.</p> <p><b>Anti-Corruption &amp; Bribery Policy</b></p> <p>The Group has established the Anti-Corruption &amp; Bribery Policy to express its strong stance against any form of bribery and corruption. The policy outlines the key principles that the Group believes in and provides guidance on how to handle situations related to bribery, improper solicitation, and other corrupt activities that may arise in the course of business. The aim of the policy is to ensure that the Group operates with integrity and honesty, and that all employees are aware of their responsibilities in maintaining this standard.</p> <p><b>Conflict of Interest (“COI”)</b></p> <p>The COI Policy will be adopted by the Company. The Directors and Senior Management should conduct themselves with integrity, impartiality, honesty, and professionalism at all times, and to avoid any conflict arising between their role with the Group and their private interests.</p> <p>Board Charter is currently under review to incorporate the proposed changes in the roles and responsibilities of the Board Committees, in line with the amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“<b>MMLR</b>”) in relation to COI and potential COI of key persons.</p> <p><b>Sustainability</b></p> <p>The responsibility to promote and embed sustainability in the Group lies with the Board and in this respect, it strives to achieve continuing growth and profitability in a safe, caring and sustainable environment.</p> <p>The Group’s Sustainability Statement is set out on pages 54 to 92 of the Annual Report 2024.</p> <p><b>Succession Plan</b></p> <p>The Group recognises that effective succession planning is integral to the delivery of its strategic plans. It is essential to ensure a continuous level of quality in key management, in avoiding instability by helping</p>
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	<p>mitigate the risks which may be associated with any unforeseen events, such as the departure of a key individual, and in promoting diversity.</p> <p>Given the current state of the Group's business and lifecycle, there is an informal succession plan for key management put in place by the Group MD. Going forward and at the relevant and appropriate time, the Group MD will look into a structured approach to the said plan with the Board.</p> <p><b>Access to Information and Advice</b></p> <p>All Directors have unrestricted access to Executive Management and the service and advice of the Joint Company Secretaries and the internal and external auditors (via the AC) and they as a whole or individually may also seek independent professional advice if necessary, at the Group's expense to enable them to discharge their duties and responsibilities.</p> <p>Non-Executive members of the Board are kept updated on the Group's activities and operations by the Group MD on a regular basis and all Directors have the right of access to all reports on the Group's activities, both financial and operational.</p> <p>The Directors also received updates from time to time on relevant new laws and regulations. Visits by the Non-Executive Directors to the Group's businesses were also arranged for enhancement of their knowledge in respect of the Group's businesses as well as better awareness of the risks associated with the Group's operations.</p>	
<p><b>Explanation for departure</b></p>	<div></div> <div></div>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>	<div></div>	
<p><b>Timeframe</b></p>	<div></div>	<div></div>

### Intended Outcome

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

### Practice 1.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Non-Independent Non-Executive Chairman, Tan Sri Dato’ Seri Dr. Tan King Tai @ Tan Khoo Hai is responsible for Board effectiveness and to ensure that the conduct and working of the Board is in an orderly and effective manner. In fulfilling this role, the Chairman:</p> <ul style="list-style-type: none"><li>• provides leadership to the Board to ensure its effectiveness without limiting the principle of collective responsibility for Board decisions;</li><li>• ensures that the Directors receive complete, adequate and timely information;</li><li>• ensures effective communications with shareholders;</li><li>• facilitates effective contribution by Non-Executive Directors;</li><li>• sets the agenda for Board meetings, in conjunction with the Group MD and ensures that adequate time is available for discussion of all items on the agenda;</li><li>• promotes high standards of corporate governance; and promotes a culture of openness and debate during Board meetings.</li></ul>	
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

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

### Practice 1.3

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Chairman is Tan Sri Dato' Seri Dr. Tan King Tai @ Tan Khoo Hai while the Group MD is Dato' Chua Heok Wee.  The roles of the Chairman and Group MD are strictly separated to ensure the balance of power and authority and to maintain effective supervision and accountability of the Board and Executive Management.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

## Practice 1.4

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

<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>		
<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Chairman of the Board, Tan Sri Dato' Seri Dr. Tang King Tai @ Tan Khoon Hai, is not a member of any Board Committees, including the Audit Committee ("AC") and the Nomination and Remuneration Committee ("NRC"). However, he is invited to attend AC meetings as an observer to gain insight into the discussions and proceedings.</p> <p>The AC welcomes his presence and values his input, given his experience and objectivity. His role in these meetings is limited to providing clarification and responding to questions when requested. He does not participate in the decision-making process.</p> <p>The AC affirms that the Chairman's presence does not compromise its independence, objectivity, or its check-and-balance function. The Committee continues to deliberate and express views independently, with discussions led solely by its Independent Directors. The final decisions and approvals rest solely with the AC, which is composed entirely of Independent Directors. This composition allows the Committee to maintain focus, apply independent judgment, and drive more objective and effective decision-making.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	Choose an item.



### Intended Outcome

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

### Practice 1.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has the service and advice of the Company Secretaries. The current Joint Company Secretaries, Mr. Tan Tong Lang and Ms. Thien Lee Mee have years of corporate secretarial experience and their tasks include, but are not limited to the following:</p> <ul style="list-style-type: none"><li>• manage all Board and Board committees' logistics, attend and record minutes of all Board's and Board committees' meetings and facilitate Board communications;</li><li>• advise the Board on its key roles and responsibilities;</li><li>• ensure adherence to Board's and Board committees' policies and procedures;</li><li>• facilitate the orientation of new Directors and assist in Directors' training and development;</li><li>• advise the Board on corporate governance disclosures and compliance with company and securities regulations and the MMLR;</li><li>• ensure timely communication of Board's and Board committees' decisions to Executive Management for action;</li><li>• manage processes pertaining to general meetings;</li><li>• monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations;</li><li>• notify the Chairman of any possible violations of regulatory requirements; and</li><li>• serve as a focal point for stakeholders' communications and engagement on corporate governance issues.</li></ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

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

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

### Practice 1.6

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>To facilitate the Directors' time planning, a pre-scheduled annual calendar of Board meetings is circulated and confirmed by the Board prior to the commencement of each financial year, to provide ample time for the Directors to plan their attendance.</p> <p>The notices of meetings and agenda together with Board meeting papers are furnished to the Directors at least seven (7) days prior to the Board meetings. This enables the Directors to prior peruse the matters to be deliberated upon. Further information, if any, are provided at the meeting for deliberation and informed decision making.</p> <p>The Board meeting papers include, among others, the following documents or information:</p> <ul style="list-style-type: none"><li>• reports of meetings of all committees of the Board including matters requiring the Board's deliberation, approval and notation</li><li>• performance reports of the Group, which include information on financial, strategic business issues and updates</li><li>• major operational, financial, legal, regulatory and corporate issues</li><li>• board papers for other matters for discussion or approval</li></ul> <p>All deliberations, discussions and decisions of the Board meetings were minuted and recorded accordingly. All proceedings of Board meetings were signed by either the Chairman of the meeting concerned or the Chairman of the next meeting pursuant to the Company's Constitution.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

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

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

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

**Practice 2.1**

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board adopted a Board Charter that sets out the respective roles and responsibilities of the Board, Board committees and Executive Management and the standard of conduct expected of individual Directors.</p> <p>The Board Charter provides guidance for Directors and Management regarding the responsibilities of the Board and its Committees and Management in carrying out their stewardship role and in discharging their duties towards the Company as well as boardroom activities.</p> <p>The Board Charter is reviewed periodically or as and when changes occur to ensure that it reflects the current needs of the Group. Board Charter was reviewed to reflect the changes in the roles and responsibilities of the Board Committees arising from the amendments to the MMLR in relation to COI and potential COI of key persons.</p> <p>More information on the Board Charter can be found on the Company's website.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**Intended Outcome**

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

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

**Practice 3.1**

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	In order to enhance the professionalism and integrity of our Directors and employees, a formal Code of Conduct has been put in place.  Explanation on the application can be found in Practice 1.1 herein.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

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

### Practice 3.2

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

Application	:	Applied	
Explanation on application of the practice	:	A Whistle Blowing Policy and Procedures has been put in place by the Group to provide an avenue for employees to raise their concerns.  Explanation on the application can be found in Practice 1.1 herein.	
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

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

## Practice 4.1

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

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>One of the principal responsibilities of the Board is to review and adopt strategic plans for the Group to ensure that the Board supports long-term value creation and takes into account economic, environmental, social as well as governance considerations which underpin sustainability. In this respect, the Executive Directors, through the management meeting, assist the Board in overseeing the formulation, implementation and effective management of the Group's sustainability strategies.</p> <p>To facilitate the sustainability management, our Board had formalised an Enterprise Risk Management framework to provide Management with structured policies and procedures to identify, evaluate, control, monitor and report to the Board the principal business risks faced by the Group on an ongoing basis, including remedial measures to be taken to address the risks vis-à-vis the risk parameters of the Group.</p> <p>The responsibilities of identifying and managing risks are delegated to the respective management team led by the Executive Director. The Board and the AC are responsible for reviewing the effectiveness of the processes. Any material risk identified will be discussed and appropriate actions or controls will be implemented. This is to ensure the risk is properly monitored and managed to an acceptable level.</p> <p>The AC will assist the Board in overseeing the risk management framework of the Group and reviewing the risk management policies formulated by management and making relevant recommendations to the Board for approval.</p> <p>Accordingly, the Board together with our management accountable for ensuring that sustainability measures are integrated into the strategic direction of the Group and its operations. To achieve this, the Board continuously ensures that there is an effective governance framework for sustainability practices within the Group.</p>

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

### Intended Outcome

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

### Practice 4.2

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>We always engage with our stakeholders actively throughout the financial year as part of our sustainability assessment process. Engagement with stakeholders allows us to gain more complete understanding on our materiality issues and matters. Whilst, we are also able to capture the key aspects and impacts of our sustainability journey.</p> <p>Our stakeholders' engagements are set out in Sustainability Statement on pages 58 to 59 of the Annual Report 2024. In line with the enhanced Sustainability Reporting Guide 3<sup>rd</sup> Edition, the performance data table summarises indicators that are pertinent against our Material Matters. This information, available from the ESG Reporting Platform, is also disclosed in the Sustainability Report.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 4.3

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Directors conducted a self-assessment of their skills matrix which include their experience in sustainability. The Board viewed that the sustainability initiatives should be embedded within the culture of the boardroom, whereby each Director should be able to view the organisation and its operations in the context of sustainability. The Board agreed that there was sufficient capacity in this area, to enable the Board to discharge its role effectively.</p> <p>Three Directors have attended the Mandatory Accreditation Programme ("MAP") Part I and Part II on sustainability, as required under the MMLR.</p> <p>The trainings attended were to ensure the Directors stay abreast with and understand the sustainability issues relevant to our Company and the business.</p> <p>Asides, the Company has always practicing the sustainability strategies and these are the efforts from our Board together with the management who are well versed and up-to-date on sustainability issues relevant to our company and business.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 4.4

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	During the annual evaluation of the Board, the NRC has evaluated the performance of the Board in addressing the Group's material sustainability risks and opportunities.  The details of the Group's key sustainability outcomes and achievements are available in our Sustainability Report 2024.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.5- Step Up**

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

*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.*

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

### Intended Outcome

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

### Practice 5.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NRC is responsible for assisting the Board in the development and implementation of the policies on the nomination and appointment of Directors and Committee members to achieve long-term sustainability of the organisation in accordance with the ToR of the NRC.</p> <p>In this respect, the Board is mindful that for it to be effective, its composition must include the right group of people, with an appropriate mix of skills, knowledge, experience and independence elements that fit the Group's objectives and strategic goals.</p> <p>The NRC annually assesses the experience, tenure and diversity required collectively for the Board and ensures that it is periodically refreshed so that the Board can discharge its duties effectively.</p> <p>The NRC annually reviews the performance of all directors including those seeking re-election based on competency, preparedness and independence (for independent directors). Only those with satisfactory evaluation are recommended to the Board for re-election.</p> <p>To ensure the continued effective functioning and progressive refreshing of the Board, the tenure of an Independent Director shall not exceed a cumulative term limit of nine years. However, an Independent Director may continue to serve on the Board beyond nine years subject to his/her re-designation as a Non-Independent Director.</p> <p>To ensure the appointment and re-election of the Director meets the necessary criteria, the Company has established the Directors' Fit and Proper Policy. This policy outlines the approach and standards for the appointment and re-election of the Director of the Company and guides the NRC and the Board in their evaluation and assessment of Board candidates and Directors eligible for re-election. This ensures that they possess the required character, experience, integrity, competence, and time to effectively carry out their duties as directors.</p> <p>As of the date of the forthcoming 25<sup>th</sup> Annual General Meeting ("AGM"), none of the current Independent Directors have been served in office for more than nine cumulative years.</p>

<b>Explanation for departure</b>	:			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>				
<b>Measure</b>	:			
<b>Timeframe</b>	:	<table border="1"> <tr> <td></td> <td></td> </tr> </table>		



**Intended Outcome**

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

**Practice 5.2**

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

Application	:	Applied	
Explanation on application of the practice	:	More than half of the Board comprises Independent Directors, with four (4) out of seven (7) being Independent Non-Executive Directors.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

**Intended Outcome**

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

**Practice 5.3**

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board has adopted a policy limiting the tenure of Independent Directors to a cumulative term of nine (9) years. An Independent Director who has served beyond nine (9) years may be re-designated as a Non-Independent Director. If the Board wishes to retain the Director's Independent status, it must, based on NRC's recommendation, provide justification and seek shareholders' approval through a two-tier voting process.</p> <p>As at the date of the forthcoming 25th Annual General Meeting ("AGM"), none of the Independent Directors have served more than cumulative nine (9) years.</p>	
<b>Explanation for departure</b>	:		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.4 - 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.*

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

**Intended Outcome**

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

**Practice 5.5**

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In assessing the suitability of any candidate for the directorship, the Board (via the NRC) will take into consideration the candidate's reputation, educational background, skills, diversity, knowledge, expertise, competence and experience that is in line with the Group's business operations, age, time commitment, independence and integrity.</p> <p>Hence, the NRC is responsible for the appointment of Directors and is delegated the role of screening and conducting an initial selection, which includes an external search, before making any recommendation to the Board for approval.</p> <p>The Company's Directors' Fit and Proper Policy which was designed with the recommended criteria will also serve as a guide for the review and assessment of potential candidates who are to be appointed to the Board as well as Directors who are seeking for re-election.</p> <p>NRC will also take into consideration the ability of the candidate to perform his role effectively, whether a director is "overstretched" in terms of his commitments to the board commitments to meet the demands and expectations of the role.</p> <p>As for Executive Management, the Board is committed to providing fair and equal opportunities and nurturing diversity in the Group. In this respect, all persons, regardless of age, gender, ethnicity, cultural background or other personal factors, with the appropriate experience and qualifications will be considered during recruitment and promotion.</p>
<b>Explanation for departure</b>	:	

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

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

**Intended Outcome**

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

**Practice 5.6**

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Although it has been the norm for the Board to rely on existing Directors or Executive Management or major shareholders to recommend candidates for appointment of Directors, the Board, if appropriate, will rely on recommendations from business associates, advisers, consultants, etc. for potential candidates for appointment to the Board.</p> <p>The NRC may also obtain and rely upon independent sources such as a directors' registry, open advertisement or use of independent search firms in furtherance of their duties at the Company's expense, subject to approval by the Chairman or the Board, depending on the quantum of the fees involved. If the selection of candidates was solely based on the recommendations made by the Management, the existing Board member(s) or major shareholder(s), the NRC will explain why other sources were not used.</p>	
<b>Explanation for departure</b>	:		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 5.7

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The profiles of Directors are published in the Annual Report. These include their age, gender, tenure of service, directorships in other companies, working experience and any conflict of interest as well as their shareholdings in the Group, if any.</p> <p>The information for the Directors standing for re-election as well as the reasons from the Board to support the re-election of directors have been disclosed in the Explanatory Notes to the Notice of the forthcoming 25<sup>th</sup> AGM.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.8**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The NRC was established with clearly defined ToR, and is chaired by Ms. Koay Hooi Lynn, who is the Independent Non-Executive Director.  The NRC’s ToR is available on the Company’s website.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



### Intended Outcome

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

### Practice 5.9

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Board currently comprises two female Directors out of seven members, representing 29% of the Board—just below the 30% target.	
		While the Board recognises the importance of diversity in gender, age, and ethnicity, it maintains that selection should primarily be based on the right mix of competencies, skills, experience, and knowledge needed to support the Group's business direction.	
		Given the Group's current business needs and lifecycle stage, the Board believes that having the appropriate skill set is more critical than meeting the 30% gender threshold at this time.	
		Nevertheless, the Board supports efforts to improve gender diversity and remains open to appointing additional female Directors when suitable candidates are identified.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	Choose an item.	

**Intended Outcome**

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

**Practice 5.10**

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Group practices non-discrimination in Board selection, with no bias based on age, gender, ethnicity, or religion.</p> <p>While the Board acknowledges the MCCG’s recommendation on gender diversity, it does not see the need for a formal gender diversity policy at this stage. The Group already upholds fair and equal opportunities and encourages diversity across all levels.</p> <p>That said, the NRC and the Board will continue to consider gender diversity in future appointments and will actively explore opportunities to increase female representation on the Board. This reflects the Group’s ongoing commitment to inclusive and diverse leadership.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

## Intended Outcome

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

## Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board (via the NRC) evaluates the effectiveness of the Board as a whole, all Board committees of and the contribution of each individual Director. This evaluation, which is done annually, is facilitated by the Joint Company Secretaries and conducted using evaluation forms set up in Bursa Malaysia Securities Berhad's Corporate Governance Guide (3rd Edition) covering the following aspects:</p> <p><b>(i) Board and Board committees</b></p> <ul style="list-style-type: none"><li>• Board mix and composition</li><li>• Quality of information and decision making</li><li>• Boardroom activities</li><li>• Board's relationship with the management</li><li>• Environmental, social and governance issues</li></ul> <p><b>(ii) Directors</b></p> <ul style="list-style-type: none"><li>• Fit and proper</li><li>• Contribution and performance</li><li>• Calibre and personality</li><li>• Independence on independent directors</li></ul> <p>As for the AC, the annual evaluation is done in two components:</p> <p><b>(i) The AC as a whole</b></p> <ul style="list-style-type: none"><li>• Quality and composition</li><li>• Skills and competencies</li><li>• Meeting administration and conduct</li></ul>

	<p><b>(ii) Self and peer evaluation by the AC members</b></p> <p>Based on the evaluation carried out for the FYE 2024, the NRC has informed the Board that it was satisfied with the effectiveness of the Board and Board committees and the contribution and performance of each individual Director.</p>	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

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

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

### Practice 7.1

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Board has not yet formalised a Remuneration Policy and Procedures for Directors and Executive Management.</p> <p>The Board, through the NRC, ensures that remuneration levels are appropriate to the skills, experience, and responsibilities required of the Directors. The Board as a whole determines Directors' remuneration, with each Director abstaining from deliberations on their own remuneration.</p> <p>The NRC relies on its collective experience when recommending compensation and benefits. Recommendations for Executive Directors are subject to Board approval. Directors' fees and allowances are tabled at the AGM for shareholders' approval.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	Choose an item.

### Intended Outcome

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

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

### Practice 7.2

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The NRC, comprising four (4) Independent Directors, was established with a clearly defined Terms of Reference (ToR) to assist the Board in adopting fair remuneration practices aimed at attracting, retaining, and motivating Directors and senior management.  The NRC’s ToR is published on the Company’s website for reference.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 8.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The details of the Directors' remuneration for FYE 2024 for each individual Director are set out in the table below.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Tan Sri Dato' Seri Dr. Tan King Tai @ Tan Khoon Hai	Non-Executive Non-Independent Director	140	4	0	0	0	0.8	144.8	140	4	0	0	0	0.8	144.8
2	Dato' Teoh Han Chuan	Executive Director	0	0	0	0	0	0	0	0	0	648	0	28	28.9	704.9
3	Dato' Chua Heok Wee	Executive Director	0	0	0	0	0	0	0	0	0	360	0	0	48	408
4	Chua Kang Sing	Executive Director	0	0	0	0	0	0	0	0	0	180	0	0	22.8	202.8
5	Dato' Simon Toh Boon Wan	Independent Director	56	4.8	0	0	0	0.8	61.6	56	4.8	0	0	0	0.8	61.6
6	Koay Hooi Lynn	Independent Director	56	4.8	0	0	0	0.8	61.6	56	4.8	0	0	0	0.8	61.6
7	Liu Tian Khiew	Independent Director	56	4.8	0	0	0	0.5	61.3	56	4.8	0	0	0	0.5	61.3
8	Ong Peng Teng	Independent Director	56	4.8	0	0	0	0.8	61.6	56	4.8	0	0	0	0.8	61.6
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.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>While the Board recognises the importance of transparency, it believes that disclosing individual remuneration on a named basis is not in the best interest of the Company. Given the competitive talent market and other sensitive considerations, such disclosure may expose the Group to unnecessary head-hunting risks and impact operational stability. This position aligns with the Group's commitment to employee privacy and maintaining competitiveness. The Board also believes this approach does not compromise stakeholders' interests.</p> <p>The Board considers the disclosure of key management personnel's compensation in Note 34 to the financial statements on page 181 to 183 of the Annual Report 2024 to be sufficient, in compliance with Paragraph 17 of MFRS 124 "Related Party Disclosures".</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	Choose an item.

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

**Intended Outcome**

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

**Practice 8.3 - Step Up**

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

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

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

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.1**

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

Application	:	Applied	
Explanation on application of the practice	:	The Chairperson of the AC, Ms. Ong Peng Teng, is not the Chairman of the Board.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	As of the date of this Report, none of the current members of the Audit Committee (AC) is a former partner of the Group’s external audit firm. As a measure to safeguard the independence and objectivity of the audit process, the policy has been incorporated in the AC’s Terms of Reference which is available on the Group’s website, requires the former partner of the external audit firm of the Group to observe a cooling-off period of at least three (3) years before he can be considered for appointment as a AC member.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Audit Committee (“AC”) has established policies and procedures to review, assess, and monitor the performance, suitability, and independence of the external auditors.</p> <p>Before the annual audit begins, the AC obtains confirmation from the external auditors regarding their independence. This confirmation is re-affirmed by the auditors upon completion of the audit, in accordance with the independence guidelines set by the Malaysian Institute of Accountants.</p> <p>The Company had on 18 November 2024, change of the external auditors to Messrs. Morison LC PLT. The AC conducted a thorough assessment to evaluate the suitability, objectivity, and independence of the new auditor.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The AC comprises four (4) committee members, all of whom are Independent Non-Executive Directors.



### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairperson of the AC, Ms Ong Peng Teng, is a member of the Malaysia Institute of Accounts ("<b>MIA</b>") and Association of Chartered Certified Accountants ("<b>ACCA</b>"). She is currently the audit partner for audit firm namely OPT &amp; Co.</p> <p>One of the AC members, Ms Koay Hooi Lynn is also a member of the MIA, Certified Practising Accountant ("<b>CPA</b>") Australia, Chartered Tax Institute of Malaysia ("<b>CTIM</b>") and ASEAN Chartered Professional Accountants Coordinating Committee.</p> <p>The AC members possess a wide range of necessary mix of skills and experience including accounting, corporate governance, finance, taxation and other areas of expertise specifically relevant to the work of AC, to assist the Board with oversight of:</p> <ul style="list-style-type: none"><li>• the integrity of the financial statements;</li><li>• the financial reporting process;</li><li>• the systems of internal accounting and financial controls;</li><li>• the performance of the internal audit function;</li><li>• the identification and management of the significant risks; and</li><li>• the compliance with ethics-related policies and legal and regulatory requirements.</li></ul> <p>They are financially literate and are able to understand matters under the purview of the AC. The background and qualification of AC members are disclosed in the Board of Directors' Profile on pages 24 to 27 of this Annual Report 2024.</p> <p>AC members are continuously undergoing relevant trainings which in line with their professional development so they may discharge their</p>

	duties with greater effectiveness. The list of attended training programmes by AC members during the financial year are disclosed in the Corporate Governance Overview Statement on pages 37 to 39 of this Annual Report 2024.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 10.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Board has established a risk management framework which adopts a structured and integrated approach to managing key business risks. This framework together with the system of internal control is designed to manage the Group’s risks within its risk appetite rather than to eliminate, the risk of failure to achieve the Group’s business and corporate objectives.	
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>The Group’s risk management initiative includes delegating the responsibilities of identifying and managing risk to the respective Head of each business unit. Significant risks identified, and the corresponding internal controls implemented are discussed during periodic management meetings. This is to ascertain the risks identified are properly monitored, managed, and mitigated to an acceptable level.</p> <p>The features of the Group’s risk management framework and internal control system are set out in the Statement on Risk Management and Internal Control on pages 46 to 49 of the Annual Report 2024.</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 10.3 - Step Up**

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

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

**Intended Outcome**

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

**Practice 11.1**

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 Internal Audit Function of the Group is outsourced to a professional internal audit service provider firm, JWC Consulting Sdn. Bhd. (“JWC”).</p> <p>The internal auditors’ independence is maintained by reporting functionally to the Board through the AC and administratively to Executive Management.</p> <p>Internal audit reports which are issued have to be tabled to the AC for review and Executive Management is required to be present at AC meetings to respond and provide feedback on the audit findings and recommended improvements.</p> <p>In addition, Executive Management is also required to present to the AC in meetings, status updates on significant matters and changes in key processes that could impact the Group’s operations.</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 have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

## Practice 11.2

The board should disclose—

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Internal Audit Function is outsourced to JWC, a corporate member of the Institute of Internal Auditors Malaysia, which has one (1) Project Director, two (2) Project Managers, and three (3) Consultants with relevant qualifications and/or experience in internal auditing as of 31 December 2024.</p> <p>The founding director is a member of the Malaysian Institute of Accountants, fellow member of CPA Australia and a corporate member of the Institute of Internal Auditors Malaysia.</p> <p>Based on JWC's written declarations, nothing has come to the AC's attention to indicate that the internal audit personnel assigned by JWC to the Group's internal audit during the FYE 2024 had any relationships or conflicts of interest with the Group, which could impair their independence and objectivity.</p> <p>To ensure that internal audits are carried out effectively, the team comprises suitably qualified personnel with the requisite skills and experience, and they are also provided with relevant training and development opportunities to enhance their technical knowledge and auditing skills.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

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

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

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

### Practice 12.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is committed to ensuring that communications to stakeholders and the investing public in general is timely and factual and are available on an equal basis.</p> <p>The Board also aimed to maintain a positive relationship with the different group of stakeholders through active two-way communication, and to promote and demonstrate a high standard of integrity and transparency through timely, accurate and full disclosure and to enhance the stakeholders' understanding of the Group, its core businesses and operations, thereby, enabling investors to make informed decisions in valuing the Company's shares.</p> <p>The release of announcements and information by the Group to Bursa Malaysia Securities Berhad ("<b>Bursa Securities</b>"), is handled by the Chief Financial Officer and/or the Joint Company Secretaries within the prescribed requirements of the Main market Listing Requirements.</p> <p>The Group leverages on a number of formal channels for effective dissemination of information to shareholders and other stakeholders, particularly via annual reports, circulars or statements to shareholders, quarterly financial statement and annual audited financial statements, and announcements from time to time. As these announcements and information can be price-sensitive, they are only be released after having reviewed by the Group MD, and/or the Board where necessary.</p> <p>The Company's website also provides all relevant information to stakeholders and the investing community. Quarterly financial statements and annual audited financial statements, announcements, financial information, annual reports, and circular/statements to shareholders are uploaded onto the Company's website for investors and the public.</p> <p>Any shareholders' queries or concerns relating to the Group may be conveyed to the Group MD at the principal place of business as detailed below:</p>

	<p>PTD 6001, Jalan Perindustrian 5, Kawasan Perindustrian Bukit Bakri, Batu 8, 84200 Muar, Johor Darul Ta'zim. Tel : +606-9865 236 Fax : +606 9865 239 Email : <a href="mailto:info@swscap.com">info@swscap.com</a></p> <p>The AC Chairperson the Board to be the contact for consultation and direct communication with shareholders on areas that cannot be resolved through the normal channels of contact with the Group MD. She too can be contacted at the above address.</p> <p>The Board is also of the view that the AGM is an important opportunity to meet shareholders and address their concerns. At the AGM, the Group MD will provide a presentation of the Group's annual operating and financial performance, followed by a Questions and Answers session during which the Chairman encourages shareholders' active participation, including clarifying and questioning the Group's strategic direction, business operations, performance and proposed resolutions.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 12.2**

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

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

**Intended Outcome**

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

**Practice 13.1**

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The 24th Annual General Meeting (AGM) of the Company was held on 21 May 2024. The notice for the AGM was issued on 25 April 2024, providing 25 days' notice in compliance with the Main Market Listing Requirements of Bursa Securities and the Companies Act, 2016.	
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	Choose an item.	

**Intended Outcome**

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

**Practice 13.2**

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

Application	:	Applied	
Explanation on application of the practice	:	<p>All the Directors attended the Company’s 24<sup>th</sup> AGM held on 21 May 2024.</p> <p>Barring unforeseen circumstances, all Directors (which include the Chairs of all mandated Board committees) shall be attending the forthcoming 25<sup>th</sup> AGM to address shareholders’ queries at the meeting.</p> <p>The external auditors will also be present at the meeting to answer shareholders’ queries on their audit process and report, the accounting policies adopted by the Group, and their independence.</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

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

### Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The 24<sup>th</sup> AGM held on 21 May 2024 was conducted fully virtual via live streaming and online remote voting using the Remote Participation and Voting (“<b>RPV</b>”) platform provided by Digerati Technologies Sdn. Bhd. (“<b>Digerati</b>”) in Malaysia at <a href="https://sws-online.digerati.com.my">https://sws-online.digerati.com.my</a>.</p> <p>The RPV platform provided by Digerati will allow both individual shareholders and body corporate shareholders through their appointed representatives, to -</p> <ul style="list-style-type: none"><li>• Submit proxy form electronically – paperless submission</li><li>• Register for remote participation and voting at meetings</li><li>• Participate in meetings remotely via live streaming</li><li>• Vote online remotely on resolution(s) tabled at meetings</li></ul> <p>Digerati has put in place information security measures to prevent cyberthreats and data breaches.</p> <p>The results of the poll were verified by the Independent Scrutineer appointed by the Group, Baker Tilly MH (Penang) Sdn Bhd.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 13.4

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>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>At the commencement of the 24<sup>th</sup> AGM, the Chairman, Tan Sri Dato' Seri Dr. Tan King Tai @ Tan Khoo Hai briefed the shareholders who presented virtually at the AGM of their right to ask questions and vote on the resolutions set out in the Notice of the 24<sup>th</sup> AGM.</p> <p>All Directors attended the virtual 24<sup>th</sup> AGM held on 21 May 2024 to response shareholders' queries. The external auditors was also present at the meeting to answer shareholders' queries on their audit process and report, the accounting policies adopted by the Group, and their independence.</p> <p>During the meeting, the Chairman informed that the Group received a letter from the Minority Shareholders Watch Group with a total of seven (7) questions raised by them and the responses to the questions raised were presented and answered during the Question &amp; Answer (Q&amp;A) session.</p> <p>Whilst the AGM is one of the platforms where shareholders can raise issues or seek explanation from the Board or Management, they are free to share their feedback and questions at the "Contact Us" at the Group's website at any time, outside of the AGM.</p>
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:

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

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

### Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The 24<sup>th</sup> AGM was conducted fully virtual through live streaming and online remote voting using the Remote Participation and Voting (“RPV”) platform provided by Digerati Technologies Sdn. Bhd.</p> <p>Such platform allows shareholders to raise questions during the meeting. In addition to that, questions can be submitted prior to AGM.</p> <p>A total of seven (7) questions raised by them and the responses to the questions raised were presented and answered during the Question &amp; Answer (Q&amp;A) session.</p>
<b>Explanation for departure</b>	:	
	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	The Company uploaded the Minutes of the 24 <sup>th</sup> AGM after 30 business days after the general meeting.
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	Choose an item.

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

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

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