

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0094
COMPANY NAME : Zen Tech International 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 is collectively responsible for the long-term success and sustainability of the Group and for setting the strategic direction of its operations. The Board provides leadership and oversight to ensure that the Group's business is conducted in a responsible, ethical, and sustainable manner, with due regard to product quality, operational excellence, regulatory compliance, and the interests of stakeholders.</p> <p>In discharging its responsibilities, the Board reviews and approves the Group's strategic and business plans, taking into consideration prevailing economic conditions, global demand and supply dynamics for glove products, pricing pressures, raw material costs, and evolving regulatory requirements across the markets in which the Group operates. The Board also takes into account key operational priorities, including capacity optimisation, automation, technological advancement, and cost efficiency, to ensure the Group remains competitive and resilient.</p> <p>The Board places strong emphasis on environmental, social, and governance ("ESG") considerations in its decision-making process. This includes oversight of initiatives relating to environmental management, energy efficiency, waste reduction, and sustainable manufacturing practices. In addition, the Board is mindful of the importance of responsible labour practices, including the fair treatment and welfare of workers, compliance with applicable labour laws, and adherence to internationally recognised standards on human rights and employment conditions.</p> <p>The Board also oversees the Group's risk management and internal control framework to ensure that key risks, including operational, financial, regulatory, and reputational risks, are identified, assessed, and effectively managed. This includes monitoring risks associated with</p>

	<p>supply chain disruptions, changes in regulatory requirements, and fluctuations in global demand.</p> <p>To support the effective discharge of its duties, the Board has established four Board Committees, namely the Audit Committee (“AC”), Nomination Committee (“NC”), Remuneration Committee (“RC”), and Risk Management and Investment Committee (“RMIC”). Each Committee operates within clearly defined terms of reference (“TOR”) approved by the Board, which set out their respective roles, responsibilities, and authority.</p> <p>The roles and responsibilities of the Board, Board Committees, individual Directors, and Management, as well as issues reserved for Board decision, are detailed in the Company's Board Charter, available on the Company's website (www.ztech.com.my).</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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board records its appreciation to our former Chairperson, YAM Tunku Dr. Kamariah Aminah Maimunah Iskandariah Binti Almarhum Sultan Iskandar, Tunku Puteri Johor, who resigned on 10 November 2025.</p> <p>During her tenure, YAM Tunku Dr. Kamariah demonstrated strong leadership in guiding the Board and ensuring the effective conduct of meetings. She played a pivotal role in steering discussions, raising pertinent and strategic issues, and fostering an environment of open, constructive, and transparent dialogue among Board members. Her ability to lead deliberations enabled the Board to make well-informed decisions and sound recommendations in the best interests of 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

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 Chairperson and CEO are held by different individuals.

Application	:	Applied
Explanation on application of the practice	:	<p>During the FPE 2025, the positions of the Chairperson and the Executive Directors are held by separate individuals. The Chairperson was an Independent Non-Executive Director, which reinforces objectivity, promotes balanced decision-making, and supports effective oversight of the Management.</p> <p>The Chairperson is responsible for providing leadership to the Board, ensuring its effectiveness in discharging its duties, and fostering a culture of openness and constructive debate. The Chairperson also ensures that the Board agenda is appropriately structured to enable informed deliberations and that the Directors receive timely and adequate information.</p> <p>The Executive Directors are responsible for the day-to-day management of the Group's operations and for implementing strategies and policies approved by the Board.</p> <p>This clear separation of roles ensures a balance of power and authority, with a distinct division between the Board's leadership and the Group's business management. It also mitigates the risk of concentration of power in any one individual and strengthens the Board's ability to exercise independent judgement, in line with Practice 4.1 of MCCG.</p> <p>The Board also maintains a clear distinction between Executive and Non-Executive Directors. The presence of Non-Executive Directors, the majority of whom are Independent, provides effective oversight of the Management and safeguards the interests of shareholders and other stakeholders.</p> <p>Currently, as the Company does not have a designated Chairman, the Executive Directors and Independent Directors take turns to assume the role of chairman to ensure the proper conduct of Board and general meetings, with the chairman being elected prior to the commencement of each meeting.</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

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

<i>Note: If the board Chairperson is not a member of any of these specified committees, but the board allows the Chairperson to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	<p>The Chairperson of the Board is not a member of the AC, NC, RC, RMIC and ESOSC nor has she participated in any of these Board Committees', nor does she participate in the meetings of these Board Committees.</p> <p>During the tenor of the former Chairperson of the Board, YAM Tunku Dr. Kamariah did not serve as a member of any Board Committees nor chair any of the Board Committees. This ensures clear separation between the Board's leadership and the functioning of the Board Committees, thereby strengthening governance practices and enhancing independent oversight.</p> <p>The Board Committees are primarily composed of Independent Non-Executive Directors, in line with MCCG recommendations. This composition supports objective and unbiased deliberations, reinforces the integrity of the Board's decision-making process, and ensures effective checks and balances in the discharge of the Board's responsibilities.</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 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by two (2) qualified and competent Company Secretaries to provide support and guidance in advising the Board on all secretarial matters of the Company, in relation to, but not limited to, the Companies Act 2016 (the "Act"), AMLR of Bursa Securities, and MCGG.</p> <p>The Company Secretaries are members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and are qualified to act as Company Secretaries pursuant to Section 235(2) of the Act.</p> <p>The Company Secretaries support the Board in carrying out their fiduciary duties and stewardship role in shaping the Group's standard of corporate governance. The Company Secretaries also served in an advisory role to the Board, particularly regarding the Company's Constitution, the Board's policies and procedures, and compliance with regulatory requirements, codes, guidelines, legislation, and the principles of corporate governance.</p> <p>The Company Secretaries circulated the relevant guidelines on statutory and regulatory requirements from time to time for the Board's reference and, where applicable, briefed the Board quarterly on these updates at Board meetings. Throughout their period in office, the Directors are continually being updated on the regulatory requirements.</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 1.6

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>Board papers, which include relevant reports and supporting information, are circulated to the Directors in advance of Board and Board Committee meetings to allow sufficient time for review and deliberation. Senior Management and external advisers may be invited to attend Board and Board Committee meetings to provide additional insights and clarifications, where necessary.</p> <p>All Directors also have direct access to the advice and services of the Company Secretaries, who are responsible for ensuring that Board procedures are followed and that applicable laws, regulations, and governance standards are complied with.</p> <p>In addition, the Board, whether as a whole or in its individual capacity, is entitled to seek independent professional advice at the Group's expense, where necessary, in furtherance of its duties.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has formalised and adopted a Board Charter, which serves as a key reference document outlining the governance framework and guiding principles of the Board. The Board Charter sets out, among others, the composition of the Board, the appointment and re-election of Directors, and the roles and responsibilities of the Board, Board Committees, Chairperson, Executive Directors, and Independent Non-Executive Directors.</p> <p>The Board Charter also delineates matters reserved for the Board's collective decision-making, ensuring clarity in authority and accountability. In addition, the specific roles and responsibilities of the Board Committees, as well as the scope of matters delegated to them, are set out in the respective TOR of each Board Committee.</p> <p>The Board Charter is available on the Company's website at https://ztech.com.my/corporate-governance/</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group has adopted a Code of Conduct and Ethics applicable to both Directors and employees, which outlines the expected standards of behaviour in the discharge of their duties. The Code emphasises principles of integrity, transparency, accountability, and social responsibility, and is aligned with applicable laws, regulations, and best governance practices.</p> <p>The Code of Conduct and Ethics is available on the Company's website at https://ztech.com.my/corporate-governance/</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board and Management are dedicated to operating the Company's operations and activities with the utmost transparency, accountability, and integrity.</p> <p>In this regard, the Company is steadfastly working to create a culture of transparency and honesty where anyone who is aware of potential malpractice or wrongdoing is encouraged to disclose such concerns in good faith without fear of retaliation.</p> <p>Thus, the Group has established a Whistleblowing Policy that provides a formal, confidential channel for employees and stakeholders to report concerns about suspected misconduct, breaches of laws or regulations, or unethical behaviour. This includes, but is not limited to, financial malpractice, fraud, non-compliance, criminal activity, and corruption. The policy is designed to ensure that such concerns are addressed in a timely and appropriate manner, with adequate protection provided to whistleblowers.</p> <p>The Whistleblowing Policy's provisions are accessible for review on the Company website at https://ztech.com.my/corporate-governance/</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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>At the highest level, our Board of Directors assumes ultimate responsibility for the Group's governance and sustainability agenda. The Board supervises and endorses matters related to risk management, audit, remuneration, and corporate governance policies. In addition, it oversees the Group's sustainability performance, regularly reviews progress against established targets, and provides strategic direction to ensure long-term value creation. The Board's leadership is crucial in fostering a culture of ethical conduct and responsible business practices throughout the organisation.</p> <p>Our Executive Directors ("ED") lead and direct the development and execution of sustainability programmes, ensuring that adequate resources are allocated for their effective implementation. The ED regularly reports progress and key sustainability metrics to the Board, enabling informed decision-making at the highest level. Supporting the ED is the Sustainability Committee ("SC"), which comprises heads of operating subsidiaries and representatives from various departments. The SC is responsible for translating the Board's sustainability vision into actionable plans within their respective business units and divisions. The SC coordinates and implements group-wide sustainability initiatives, monitors progress through data collection and analysis and ensures that progress towards sustainability targets is closely tracked and reported back to the Board for ongoing evaluation and guidance.</p> <p>The Sustainability Statement of the Annual Report 2025 contains details on key sustainability issues and strategies.</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

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

Practice 4.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Group see stakeholders as individuals, entities, or organisations whose actions shape our business, just as ours shape theirs. To create meaningful connections, each business division crafts its own engagement strategies, ensuring every interaction reflects both our Group’s goals and the distinct needs of each stakeholder group.</p> <p>The approach to stakeholder engagement is ever evolving, drawing on diverse communication tools and channels. By fostering ongoing conversations, gathering feedback, and launching collaborative projects, the Group stay attuned to the shifting needs and priorities of our stakeholders. This forward-thinking mindset helps the Group earn trust, nurture lasting partnerships, and drive sustainable growth.</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 stays informed about relevant sustainability issues through:</p> <ol style="list-style-type: none"> 1. Internal training programs focused on sustainability areas 2. Periodic updates from the Securities Commission and Bursa Malaysia Securities Berhad 3. Regular briefings from the Company Secretaries on the latest sustainability practices and issues <p>This approach ensures the Board remains cognizant of and current with the sustainability agenda as it relates to the Company and its business</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The review of the performance of the Board and senior management in addressing the Company's material sustainability risks and opportunities are included in the Board's performance evaluation.</p> <p>During the annual performance evaluation, the Board will review if all the principal risks have been identified and a proper risk management system has been implemented.</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.

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

Application	:	Adopted
Explanation on adoption of the practice	:	Executive Directors ("ED") lead and direct the development and execution of sustainability programmes, ensuring that adequate resources are allocated for their effective implementation. The ED regularly reports progress and key sustainability metrics to the Board, enabling informed decision-making at the highest level. Supporting the ED is the Sustainability Committee ("SC"), which comprises heads of operating subsidiaries and representatives from various departments. The SC is responsible for translating the Board's sustainability vision into actionable plans within their respective business units and divisions. The SC coordinates and implements group-wide sustainability initiatives, monitors progress through data collection and analysis and ensures that progress towards sustainability targets is closely tracked and reported back to the Board for ongoing evaluation and guidance.

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Nomination Committee oversees the overall makeup of the Board, including the mix of skills, experience, and core competencies required for the Board to fulfil its tasks and obligations.</p> <p>The Board has been through the NC, assessed on an annual basis with the use of board matrix, questionnaires and other evaluation forms, the size, composition, mix of skills, experience, competencies of the existing Board, the individual Directors, the independence and tenure of the Independent Directors, and the effectiveness of the Board and the Board Committees, to identify gaps in the Board composition and the needs to identify and select new members to the Board or Board Committees.</p> <p>Based on the assessment, the NC concluded that the current structure, size, and composition of the Board, which comprises people with a wide range of expertise, experience, and skills across various fields, enable it to discharge its duties and responsibilities effectively.</p> <p>In accordance with the Board Charter, the tenure of an independent director should not exceed a cumulative term of nine (9) years from the date of first appointment as Director. In the event the Board wishes to retain the independence status of an independent director who has served for more than nine (9) years, the Board's justification and shareholders' approval are required. A two-tier voting process will be applied at the AGM to retain any independent director who has served for more than twelve (12) years. Currently, no Independent Directors have served for more than nine (9) years.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

Practice 5.2

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	:	<p>As of 30 December 2025, the Board comprises 7 members, including 3 Executive Directors, 3 Independent Non-Executive Directors (“INED”) and 1 Non-Independent Non-Executive Director, in compliance with Rule 15.02(1) of the ACE Market Listing Requirement (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”). The Independent Directors make up 43% of the Board composition. Currently, the number of female Directors on the Board is 1, representing 14% of the Board's composition.</p> <p>The Board will review its composition and size from time to time with the aim of eventually achieving the target of 30% female representation on the Board. The strong representation of the Independent Directors ensures objective and impartial review and decision-making processes.</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 5.3

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	:	The Board currently does not have an independent director who has served for more than nine (9) years.	
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 Nomination Committee (“NC”) evaluates potential directors based on their ability to fulfil expected responsibilities. For Independent Non-Executive Directors (“INED”), additional criteria are considered, including fit and proper standards; competencies, commitment, performance, skills, expertise, and professionalism; age; cultural background; leadership qualities; and integrity.</p> <p>The NC reviews the diversity of the Board and Key Senior Management annually, considering skills, experience, age, cultural background, and gender. The current composition provides an appropriate mix of expertise across security, IT/engineering, project development, corporate management, finance/taxation, accounting/auditing, and human capital, aligning with the Group's objectives.</p> <p>Key Senior Management appointments are based on skill, experience, and leadership qualities, as defined by job descriptions. In compliance with Bursa Malaysia Securities Berhad regulations, no Director holds more than 5 directorships in listed companies, ensuring sufficient focus on the Company affairs.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>Identifying and recommending new appointments to the Board is within the purview of the Nomination Committee. The prospective candidates may come from independent sources, incumbent directors, senior management personnel, shareholders, or third-party referrals.</p> <p>On the advice of senior management and independent directors (hereafter, "IDs"), new directors were chosen during the financial year in question. Since management and IDs are familiar with the Company's needs and business environment, their referrals and suggestions are more useful in meeting those needs and expectations while also saving the Company costs by avoiding the need to contact outside sources for candidate recommendations.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>The information on the appointment and re-appointment of Director(s) is available to the shareholders on the Company's website and Bursa Malaysia Securities Berhad's ("Bursa Securities") website. The Company will release an immediate announcement to Bursa Securities in accordance with the prescribed format whenever there is an appointment of new Director. The re-election of Director will be set out in the notice of AGM and announcement to Bursa Securities. The shareholders would be able to make an informed decision on the re-election of the retiring Directors at the AGM.</p> <p>The performance, contributions, independence, fitness and propriety of each Director who is standing for re-election had been assessed by the NC through the effectiveness of the Board, Board Committees and Directors' self-assessment conducted for the financial period ended 31 December 2025, time commitment in discharging their roles and responsibilities including attendance at Board or Board Committees meetings, briefings and site visitations, participation in continuing training programmes, and contribution to the Board's deliberation through their skills, knowledge, expertise and experience.</p> <p>In April 2026, the Board endorsed the NC's recommendation for the following Directors to be considered for re-election pursuant to Clause 97.1 of the Company's Constitution at the forthcoming Twentieth AGM:</p> <ul style="list-style-type: none">-a. Dato' Zhang Lib. Chow Hung Keey <p>The profile of retiring Directors is published in the Annual Report 2025, which includes their age, gender, date of appointment, year of service, directorships in other companies, qualification, working experience, Date of Appointment, any conflict of interest or potential conflict of interest with the Company and shareholdings in the Company, if any.</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>The NC is chaired by Mr Edwin Silverster Das who is an Senior Independent Non-Executive Director of the Company. The Board had elected the members of the NC from amongst themselves and all of whom are Independent Non-Executive Directors, namely: -</p> <p>Chairman Mr Edwin Silvester Das (redesignated as the Chairman on 10 November 2025)</p> <p>Members Dato' Zaidi Bin Mat Isa @ Hashim(appointed as a member on 29 November 2024) Mr Wong Kok Fong (ceased office on 29 November 2024 and re-appointed as a member on 10 November 2025)</p> <p>The profile of the NC members is available in the Company's 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 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Currently, there is only one (1) female director on the Board, Dato' Zhang Li, who is an Executive Director and represents 14% of the Board.	
		The Board acknowledges board diversity, including gender diversity, as a crucial component of sound corporate governance and a quality of a board that functions well. The Board holds the opinion that, while several diversity-related factors, including gender, will be taken into consideration when choosing candidates for appointment to the Board, the merit and contribution the selected candidates will make to the Board should take precedence in making appointments. The Board will appoint additional female directors when qualified individuals are identified, and it will make a continuous effort to identify potential female directors for nomination.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 5.10

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company does not have a formal strategy or target for gender diversity established for the financial period under review.	
		Although the Company does not have a formal strategy or target for gender diversity, the Board now has one (1) female members, which has added depth and variety in experience, expertise, and viewpoints to the Company's business operations. In fact, the Board is composed of experts from a variety of backgrounds who are dedicated to acting professionally and in accordance with corporate ethics in all their pursuits.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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	: The Board has been through the NC, assessed on an annual basis with the use of board matrix, questionnaires and other evaluation forms, the size, composition, mix of skills, experience, competencies of the existing Board, the individual Directors, the independence and tenure of the Independent Directors, and the effectiveness of the Board and the Board Committees, to identify gaps in the Board composition and the needs to identify and select new members to the Board or Board Committees. Based on the assessment, the NC concluded that the current structure, size, and composition of the Board, which comprises people with a wide range of expertise, experience, and skills across various fields, enable it to discharge its duties and responsibilities effectively.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established a Remuneration Policy and Procedure to facilitate the Remuneration Committee ("RC") in reviewing, considering, and recommending to the Board for decision on the remuneration packages of Executive Directors and Non-Executive Directors.</p> <p>The remuneration of the Executive Directors is reviewed by the RC and considered and recommended to the Board for approval. The Executive Directors are entitled to the benefits provided to the Company's employees, as well as any additional benefits proposed by the RC for its consideration and recommendation to the Board for approval.</p> <p>The remuneration of non-executive directors, which comprises Directors' fees, is determined by the Board. The Remuneration Policy and Procedure is available for reference at the Company's website at https://ztech.com.my/corporate-governance/</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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	:	The RC, which comprises Non-Executive Directors exclusively, is responsible for evaluating, deliberating, and recommending to the Board the compensation and benefits that are fairly aligned with market norms and industry practices for the Company's business. The RC is also responsible for evaluating the Executive Directors' remuneration, which is linked to their performance and the Group's performance. The Terms of Reference of the RC, which has been published in the Company's website at https://ztech.com.my/corporate-governance/
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The Company has disclosed in its Annual Report 2025 the remuneration of individual Directors on a named basis.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato Zhang Li	Executive Director	-	81	522	-	-	-	603	-	81	522	-	-	-	603
2	Siva Kumar Kalugasalam	Executive Director	-	63	270	-	-	-	333	117	63	270	-	-	-	450
3	Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir (Resigned on 10 November 2025)	Independent Director	140	-	-	-	-	-	140	140	-	-	-	-	-	140
4	Chow Hung Keey	Executive Director	-	-	216	-	-	-	216	36	51	216	-	-	-	267
5	Edwin Silvester Das	Independent Director	90	-	-	-	-	-	90	90	-	-	-	-	-	90
6	Wong Kok Fong	Independent Director	90	-	-	-	-	-	90	90	-	-	-	-	-	90
7	Zhang Yang	Non-Executive Non-Independent Director	90	-	-	-	-	-	90	90	-	-	-	-	-	90
8	Dato' Zaidi bin Mat Isa @ Hashim	Independent Director .	90	-	-	-	-	-	90	90	-	-	-	-	-	90
9	YAM Tunku Dr. Kamariah Aminah Maimunah Iskandariah Binti Almarhum Iskandar Sultan Iskandar, Tunku Puteri Johor (Resigned 10 November 2025)	Independent Director	240	-	-	-	-	-	240	240	-	-	-	-	-	240
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

Intended Outcome

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

Practice 8.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	The Company respects the confidentiality of the remuneration of the Senior Management in view of the competitive nature of human resource market. Thus, the Company does not have the intention to adopt the recommendation to disclose the details of each member of senior management in bands of RM50,000 on a named basis.
	:	The Company would endeavour to ensure that the remuneration package of the employees is in line with the industry practices and the annual increments and bonuses pay-out are based on individual performances.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	Presently, Mr. Wong Kok Fong serves as the Chairman of the Audit Committee, whilst YAM Tunku Dr. Kamariah Aminah Maimunah Iskandariah Binti Almarhum Sultan Iskandar served as the Chairperson of the Board during the financial period ended 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

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	:	The requirement for a former audit partner to observe a cooling-off period of at least three (3) years before being appointed to the Audit Committee is set out in the Audit Committee's Terms of 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	:		

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 Board, through the AC, maintains a formal, transparent, and professional relationship with the external auditors to ensure the integrity, reliability, and credibility of the Group's financial reporting process.</p> <p>The AC is responsible for overseeing the appointment, performance, suitability, and independence of the External Auditors. In discharging this responsibility, the AC conducts an annual assessment of the External Auditors, taking into consideration, among others, their qualifications, experience, technical competence, audit quality, objectivity, independence, and the effectiveness of the audit process. The assessment also includes a review of the audit firm's resources, engagement team, and quality control procedures.</p> <p>The AC reviews the External Auditors' audit strategy, scope of work, and audit planning memorandum, as well as the audit results, including key audit matters and significant findings. The AC meets with the External Auditors, including, where necessary, without the presence of the Management, to facilitate open and constructive discussions on audit issues, internal control matters, and the level of cooperation received from the Management.</p> <p>To safeguard the independence of the External Auditors, the Group has established policies and procedures governing the provision of non-audit services. The AC reviews and approves all non-audit services rendered, taking into consideration the nature and extent of such services, the fees involved, and whether they may impair, or be perceived to impair, the auditors' independence.</p> <p>The External Auditors are required to provide an annual written confirmation of their independence in accordance with relevant professional and regulatory requirements. The AC also considers compliance with applicable ethical standards, including partner rotation requirements.</p> <p>Based on the outcome of its annual assessment, the AC is satisfied with the External Auditors' suitability, performance, and independence. The</p>

	Board has accordingly recommended their re-appointment for the ensuing financial year, subject to shareholders' approval at the forthcoming Annual General Meeting.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	All the members of the Audit Committee are Independent Directors of the Company.

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The members of the AC collectively bring with them a wide range of skills and experience, including accounting, finance, audit, risk management, and industry knowledge, which are relevant to the Group's operations. This enables the AC to provide effective oversight of the Group's financial reporting process, internal control systems, and risk management framework.</p> <p>The Board, through the NC, reviews the composition and effectiveness of the AC on an annual basis to ensure that it remains appropriately constituted with the necessary mix of skills, experience, and independence.</p> <p>All members of the AC undertake continuous professional development and training programmes to keep abreast of relevant developments in accounting standards, regulatory requirements, and emerging risks, thereby enhancing their ability to discharge their duties effectively.</p> <p>For a detailed list of training sessions attended by AC members during the year under review, please refer to the Corporate Governance Overview Statement 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	:		
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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 relies on the Risk Management and Investment Committee ("RMIC") to oversee the Group's risk management and internal control policies and procedures, effectively managing the Group's overall risk exposure.</p> <p>For a comprehensive overview of the Group's risk management and internal control system for the financial period ended 31 December 2025, please refer to the Statement on Risk Management and Internal Control in the Annual Report 2025.</p> <p>The RMIC's Terms of Reference can be accessed on the Company's official website at https://ztech.com.my/corporate-governance/</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Statement of Risk Management and Internal Control in the Company’s Annual Report 2025 details the components of the risk management and internal control framework, as well as their sufficiency and effectiveness.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.3 – Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	The Board has established the Risk Management and Investment Committee to oversee the risk management framework and policies. The Risk Management and Investment Committee comprise exclusively of Independent Directors.

Intended Outcome

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

Practice 11.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Audit Committee receives assistance from Vaersa Advisory Sdn Bhd, an independent internal audit consulting firm, in providing assurance on the effectiveness, suitability, and integrity of the Group's internal control systems.</p> <p>Internal auditors' responsibilities include conducting routine and systematic reviews of internal controls and delivering independent, unbiased reports to the Audit Committee on the effectiveness of internal controls and procedures in the Group's operating business entities and the degree of compliance with relevant policies and procedures as well as laws, regulations, directives, and regulatory requirements.</p> <p>The internal audit plan was created based on the Group's core risk areas and significant operating units, and it is reviewed and approved by the Audit Committee. In accordance with an established internal audit plan, the internal auditors conducted audits and submitted independent reports to the Audit Committee. The Audit Committee received a presentation of the conclusions and suggestions from the internal audit reviews.</p> <p>The Internal Auditors also conducted follow-up inspections to make sure that corrective actions had been taken promptly.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group's internal auditing role has been outsourced by the Board to Vaersa Advisory Sdn Bhd, which reports directly to the Audit Committee. The internal auditors from Vaersa Advisory Sdn Bhd, led by the Director, Mr Quincy Gan (“Mr Quincy”), are free from any connections or conflicts of interest that would compromise their impartiality and independence and are qualified to conduct internal audit evaluations. Mr Quincy Gan is a certified member of the Malaysian Institute of Internal Auditors.</p> <p>The Internal Audit team comprises 4 personnel, headed by Mr Quincy. Mr Quincy has more than 16 years of experience in internal audit and risk management in an international Big Four audit firm. All internal audit personnel are free from any relationships or conflicts of interest that could impair their objectivity and independence during the course of their work.</p> <p>The internal audit work was carried out in accordance with a framework set by a recognised professional body i.e., International Professional Practice Framework issued by the Institute of Internal Auditors, of which final communication of internal audit plan, processes and results of the internal audit assessment are supported by sufficient, reliable and relevant information, which signifies a satisfactory conclusion of the internal audit works.</p> <p>The details of the internal audit function are elaborated in the Audit Committee Report of the Annual Report 2025.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure	:		
Timeframe	:		

Intended Outcome

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	:	The Board updates shareholders through various announcements, the release of quarterly financial statements, annual reports, shareholders' circulars, policies, and the Board Charter on the Company's website.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Notice of Nineteenth (19 th) Annual General Meeting (“AGM”) of the Company, which was held on 29 November 2024, was sent to the shareholders at least 28 days prior to the date of the 19 th AGM to give sufficient time to shareholders to consider the resolutions that will be discussed and decided at the 19 th AGM. The Notice of AGM, which sets out the businesses to be transacted at the AGM, was also published in a major local newspaper.	
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>During the Nineteenth (19th) Annual General Meeting (“AGM”) held on 29 November 2024, the Chairman of the Board and the respective Board Committees were present to facilitate discussions and address any questions. Shareholders may have on matters that fall under the purview of the Board Committees.</p> <p>For the coming AGM, barring any unforeseen circumstances, the Board will continue its past practice to have the full Board present at the AGM, which includes the Chairman of the Board Committees.</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	:	Applied
Explanation on application of the practice	:	<p>The Company utilised technology to enable electronic voting for all resolutions and remote shareholder engagement for its Nineteenth (19th) Annual General Meeting (“AGM”) on 29 November 2024.</p> <p>Remote Participation and Voting (RPV) facilities were used throughout the 19th AGM on 29 November 2024 via the website https://zentech-agm.digerati.com.my. During the 19th AGM, which was broadcast live, the shareholders were able to register for remote participation, submit proxy forms electronically, attend and participate remotely via live streaming, and vote remotely online on the resolutions put forth at the 19th AGM.</p> <p>The Twentieth (20th) AGM of the Company will be held physically.</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 13.4

The Chairperson 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	: Prior to the Nineteenth (19 th) Annual General Meeting ("AGM") held on 29 November 2024, shareholders had the option of submitting questions electronically through Digerati Technologies Sdn Bhd's provided online platform via its https://zentech-agm.digerati.com.my or using the query box to ask questions to the Board of Directors while the 19 th AGM was being streamed live. Senior management, the Board, and the Chairman of the Board were present to respond to inquiries at the 19 th AGM. Before and during the 19 th AGM, shareholders and proxies had enough time to ask questions. During the 19 th AGM, the Chairperson read out the questions, to which the Board and senior management duly replied. The 19 th AGM's questions and answers, as well as the meeting's minutes, were posted online by the Company.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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 :	Applied
Explanation on application of the practice :	The virtual Nineteenth (19th) Annual General Meeting (“AGM”) was conducted smoothly, with no downtime or disruption. The administrative guide on remote participation was provided to shareholders and proxies before the meeting. Before and during the 19 th AGM, shareholders and proxies had enough time to ask questions. During the virtual 19 th AGM, the Executive Director read out the questions, to which the Board and senior management duly replied.
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The minutes of the Nineteenth (19 th) Annual General Meeting (“AGM”) held on 29 November 2024 were made available on the group’s website within 30 business days of the meeting's conclusion. This reflects the Board’s recognition of the importance of the timely release of general meeting minutes for shareholders' perusal.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

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

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

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