

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0326
COMPANY NAME : Sorento Capital Berhad
FINANCIAL YEAR : June 30, 2025

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors ("the Board") of Sorento Capital Berhad ("Sorento Capital" or "the Company") collectively responsible for the leadership, oversight, and securing the long-term success of Sorento Capital and its subsidiaries ("the Group"). The responsibility entails guiding the Group towards generating sustainable value for its stakeholders while upholding rigorous governance standards. The Board members are expected to demonstrate exemplary stewardship, professionalism, and alignment with the Group's principles, all while fulfilling their fiduciary obligations.</p> <p>The Group is led and managed by an effective and experienced Board comprising members with a wide range of experience and qualifications. The Board assumes, among others, the following responsibilities:-</p> <ul style="list-style-type: none">(i) Overseeing and evaluating the conduct and sustainability of the businesses of the Group.(ii) Reviewing and adopting the overall strategic direction, business plans, and annual budgets of the Group, including major capital commitments.(iii) Ensuring that the strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental, and social considerations underpinning sustainability.(iv) Establishing key performance indicators and succession plans.(v) Reviewing and approving new ventures, major acquisitions and disposal of undertakings and properties.

	<ul style="list-style-type: none"> (vi) Reviewing, challenging, and deciding on management’s proposals for the Company and monitoring their implementation by management. (vii) Supervising and assessing management performance to determine whether the business is being properly managed. (viii) Identifying and understanding the principal risks of the Company’s business and ensuring the implementation of appropriate internal control systems and mitigation measures to manage these risks. (ix) Reviewing the adequacy and integrity of the Group’s internal control systems, risk management, and management information systems. (x) Setting the risk appetite within which the Board expects management to operate and ensuring that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks. (xi) Ensuring that key senior management has the necessary skills and experience and there are measures in place to provide for the orderly succession of the Board and key senior management. (xii) Ensuring that the Company has in place procedures to enable effective communication with stakeholders. (xiii) Supervising the creation and execution of the investor relations program or shareholders’ communication policy for the Company to facilitate productive communication. (xiv) Ensuring the Group’s core values, vision and mission and shareholders’ interests are met. (xv) Ensuring all significant systems and procedures are in place for the Group to run effectively, efficiently, and meet all legal and contractual requirements. (xvi) Collaborating with key senior management to establish and maintain effective corporate governance practices, which include ethical, prudent, and professional conduct standards, and fostering a corporate responsibility culture throughout the Group. (xvii) Ensuring the integrity of the Company’s financial and non-financial reporting. <p>The Board has also delegated day-to-day management of the Group to the Managing Director (“MD”)/Executive Director(s) (“ED”) and the</p>
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	<p>Management. For the effective function of the Board, the Board has also delegated specific responsibilities to the following Board Committees within their respective Terms of Reference (“TOR”):-</p> <p>(i) Audit and Risk Management Committee (“ARMC”); (ii) Nomination Committee (“NC”); and (iii) Remuneration Committee (“RC”).</p> <p>The Board Committees operate within their respective Terms of Reference (“TOR”) and they report to the Board on matters deliberated and their recommendations thereon. The ultimate responsibility for the final decision on all matters, however, lies with the Board.</p> <p>In discharging its fiduciary duties and leadership functions, the Board is guided by the Board Charter, which sets out the principles and guidelines to be applied by the Board. The Board has also established a Code of Ethics and Conduct which serves as an internal frame of reference for the Directors and employees of the Group in the conduct of their daily activities. The Code of Ethics and Conduct is incorporated in the Board Charter of the Company.</p> <p>The Board Charter and TOR of the respective committees are available on the Company’s website at www.sorentocapital.com.</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 1.2

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 Chairman of the Board, Tuan Haji Ahmad Zakie Bin Haji Ahmad Shariff ("Tuan Haji Ahmad Zakie"), an Independent Non-Executive Chairman, whose profile is set out in the Board of Directors' Profile of the Annual Report 2025.</p> <p>The Chairman is responsible for the orderly conduct and effectiveness of the Board. He will act independently in the best interest of the Group and lead the Board and represent the Board to the shareholders and other stakeholders.</p> <p>The roles and responsibilities of the Chairman of the Board are clearly defined in the Board Charter, which is available on the Company's website at www.sorentocapital.com.</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 Chairman and CEO are held by different individuals.

Application	:	Applied
Explanation on application of the practice	:	<p>The positions of Chairman and the MD are held by two (2) different individuals. Tuan Haji Ahmad Zakie is the Independent Non-Executive Chairman whereas Mr. Loo Chai Lai is the MD of the Company.</p> <p>The Board Charter has clearly established the respective roles and responsibilities of the Independent Non-Executive Chairman and the MD to ensure a balance of power and authority to promote accountability, such that no one individual has unfettered decision-making powers.</p> <p>There is a clear division of responsibility between the Chairman and the MD in order to provide for a balance of power and authority. The Chairman is responsible for the orderly conduct and effectiveness of the Board, in addition to facilitating constructive deliberation of matters at hand, while the MD leads the management of the Company and has overall responsibility for the operating units and the implementation of the Board's policies and decisions.</p> <p>The details of the roles and responsibilities of the Independent Non-Executive Chairman and the MD are clearly set out in the Board Charter which is available at the Company's website at www.sorentocapital.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application	: Departure
Explanation on application of the practice	:
Explanation for departure	: The Chairman of the Board, Tuan Haji Ahmad Zakie is not a member of the ARMC, NC and RC of the Company and he did not participate in any Board Committees. However, he has attended all the meetings of the Board Committees as an invitee during the financial year ended 30 June 2025 ("FYE 2025").
	Tuan Haji Ahmad Zakie was invited to the Board Committees Meetings to provide inputs for the matters discussed during the meetings. However, he did not participate in the decision making of the resolutions, proposals and matters tabled for approval at the meetings.
<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	:

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 Group is currently outsourcing the corporate secretarial function to Cospec Management Services Sdn. Bhd.</p> <p>The Board is supported by two (2) Companies Secretaries who are experienced and qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016 ("Act") and are registered holders of the Practising Certificate issued by the Companies Commission of Malaysia.</p> <p>The Board acknowledges that the Company Secretaries play an important role and will ensure that the Company Secretaries fulfil the functions for which they have been appointed.</p> <p>The Company Secretaries play an important role in facilitating the overall compliance with the Act, ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and other relevant laws and regulations. The Company Secretaries also assist the Board and Board Committees to function effectively and in accordance with their TOR and best practices and ensure adherence to the existing Board policies and procedures. In order to discharge their roles effectively, the Company Secretaries have been continuously attending the necessary training programmes, conferences or seminars organised by relevant authorities and/or professional bodies to keep themselves abreast with the latest developments in the corporate governance realm and changes in regulatory requirements that are relevant to their profession and enable them to provide the necessary advisory role to the Board.</p> <p>All Directors has direct access to the professional advice and services of the Company Secretaries and their team when performing their duties and discharging their responsibilities.</p> <p>The Company Secretaries had conducted a briefing on the Key Amendments to Listing Requirements of Bursa Securities to keep the Board abreast of the latest developments on the provisions under the Listing Requirements of Bursa Securities.</p> <p>During the financial year under review, the Board and Board Committees' meetings were properly convened, and accurate and</p>

	<p>proper records of the proceedings and resolutions passed were taken and maintained in the statutory records of the Company.</p> <p>Overall, the Board is satisfied with the performance and support rendered by the Company Secretaries and their team to the Board in the discharge of their duties and functions.</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>To assist the Directors in managing their schedules, the Company Secretaries prepare an annual meeting calendar ahead of each new year. This calendar outlines the dates of Board and Board Committee meetings, as well as the annual general meeting ("AGM"). Additionally, it includes closed periods for trading in securities by Directors and principal officers, aligning with scheduled announcements of the Company's quarterly results.</p> <p>The notices of the Board and Board Committees meetings together with the meeting papers are generally furnished to the Board members within five (5) business days prior to the dates of meetings. This is to ensure that the Directors have sufficient preparation time and information to make an informed decision at each meeting.</p> <p>In the intervals between scheduled Board and Board Committees meetings, for exceptional matters requiring urgent Board decisions, Board and Board Committees decisions are obtained via additional ad-hoc meetings convened or written resolutions which are supported with board papers, providing information necessary for the Board and Board Committees' deliberation to ensure the Directors can make informed decisions. All written resolutions approved by the Board will be tabled for notation at the next Board Meeting.</p> <p>The deliberations and conclusions of matters discussed in the Board or Board Committees meetings are duly recorded in the minutes of meetings. The draft minutes are circulated for the Board or Committee Chairman's review within a reasonable timeframe after the meetings. The minutes of meetings accurately captured the deliberations and decisions of the Board and/or the Board Committees, including whether any Director abstains from voting or deliberating on a particular matter. All the records of proceedings and resolutions passed are kept at the registered office of the Company.</p> <p>All Directors have full and unrestricted access to timely information about the Group. In addition, the Directors are also empowered to seek independent external professional advice at the expense of the Company, should they consider it necessary in the course of their 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 had on 25 March 2024 formalised and adopted a Board Charter covering the respective roles and responsibilities of the Board, Board Committees, individual Directors and Management and the issues and decisions reserved for the Board's decision.</p> <p>This Board Charter serves as a guiding literature to the Board in the fulfilment of its fiduciary and leadership functions.</p> <p>The Board Charter would be reviewed and updated as and when necessary to ensure it remains consistent with the Group's policies and procedures, the Board's overall responsibilities as well as changes to legislation and regulations.</p> <p>The Board Charter is available on the Company's website at www.sorentocapital.com.</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 Code of Ethics and Conduct which forms part of the Board Charter is observed by all Directors, Management and employees of the Group which is available on the Company's website at www.sorentocapital.com.</p> <p>This Code of Ethics and Conduct sets out the standard of ethical behaviour and value expected of Directors and any other employees at the executive level and above and serves as a guide and reference in the course of the performance of their duties and responsibilities.</p> <p>To ensure its continued relevance and effectiveness, the Board reviews the Code of Ethics and Conduct periodically and updates it as necessary in line with evolving business practices and regulatory requirements.</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 had on 9 September 2024 adopted a Whistleblowing Policy to provide an avenue for all employees of the Group and members of the public to raise their concerns or disclose any improper conduct within the Group.</p> <p>The Board will review and update the Whistleblowing Policy at least once every three (3) years to ensure its effectiveness and consistency with the governing legislation, the Board's objectives, responsibilities and standards of corporate governance and regulatory requirements.</p> <p>The Whistleblowing Policy is available on the Company's website at www.sorentocapital.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledged that sustainable development is important to the business and business operation of the Group which influences the approach of the Group operating its business by embracing better practices that are sustainable to realise the Group's Economic, Environmental and Social ("EES") development agenda.</p> <p>The Board, alongside with the Management, shares responsibility for governing sustainability within the Company. The Board sets the sustainability strategy and oversees corporate sustainability policies and performance, while Management oversees implementation and ensures key targets are achieved.</p> <p>As part of the efforts to promote and build sustainability momentum within the Group, the Management has undertaken the following measures:-</p> <ul style="list-style-type: none">• strengthen the financial and deliver sustainable returns to the stakeholders.• mitigating any negative environment impact and conserving the surrounding environment.• foster a robust, diverse and capable workforce, and create a safe workplace. <p>In addition, the ARMC is also empowered to assist the Board in overseeing the Company's sustainability implementation and reporting, rooted in Environmental, Social and Governance pillars. This responsibility has been incorporated into the TOR of ARMC as well.</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 4.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board recognises that strong stakeholder relationships are fundamental to the Company’s continued growth and long-term sustainability. Regular engagement, open communication, and constructive feedback from stakeholders are vital in shaping the Company’s strategies and practices.</p> <p>The Company also maintains open two-way communication with employees, creating opportunities to share performance updates, discuss growth strategies, and address workplace matters. This approach helps strengthen engagement, alignment, and mutual trust within the organisation.</p> <p>Details pertaining to the stakeholders’ engagement are available in the Sustainability 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	:		

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, through the NC assessed the training programmes attended by each Director during the FYE 2025 to ensure they stay abreast with the latest developments in the industry as well as the sustainability issues relevant to the Group, including factors that are driving climate change, sustainable finance and achieving a sustainable business model.</p> <p>The key training programmes attended by each Director during the FYE 2025 are set out in the Corporate Governance Overview Statement of the Annual Report 2025.</p> <p>The Company Secretaries regularly update the Board on the changes of the Listing Requirements of Bursa Securities and/or other regulatory requirements upon receiving the circulars from Bursa Securities and/or other regulators, which are relevant to the Company and provides advice on corporate disclosures and compliance issues.</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 Board and the Management work collaboratively in managing material sustainability matters, including identifying and addressing the risks and opportunities that may impact the Group’s long-term growth and resilience.</p> <p>The performance evaluation of the Board in addressing the Group’s strategic and business plans which promote sustainability materials matters was evaluated through the annual Board’s effectiveness evaluation for the FYE 2025.</p> <p>Together, the Board and Management tackle the Company's significant issues, along with the associated risks and opportunities. They implement suitable mitigation strategies to ensure the Company maintains robust returns for its shareholders.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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	:	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 5.1

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 NC is responsible for overseeing the overall composition of the Board in terms of size, a mix of skills, experience and core competencies, as well as the balance between Executive Directors and Independent Non-Executive Directors.</p> <p>The effectiveness of the Board as a whole, the contribution of each Director and the performance of the Board and the Board's various committees will be assessed on an annual basis.</p> <p>The Board is mindful of the recommendation under the Malaysian Code on Corporate Governance that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Should the Board wish to retain an Independent Director who has served beyond this limit, the decision must be justified and approved by shareholders through a two-tier voting process at a general meeting.</p> <p>For the FYE 2025, none of the Company's Independent Directors had served the Board a cumulative term of nine (9) years threshold.</p> <p>The annual re-election of retiring Directors has been contingent on a satisfactory evaluation of the retiring Directors' performance and contribution to the Board.</p> <p>In addition, the Company had on 9 September 2024 adopted Directors' Fit and Proper Policy which serves as a guide to NC and the Board for the appointment and re-election of Directors of the Group. The Directors' Fit and Proper Policy is published on the Company's website at www.sorentocapital.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.2

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

Application	:	Applied																
Explanation on application of the practice	:	<p>The current Board consists of seven (7) members, comprising three (3) Executive Directors and four (4) Independent Non-Executive Directors, as set out in the table below:</p> <table border="1"><thead><tr><th>Name</th><th>Designation</th></tr></thead><tbody><tr><td>Tuan Haji Ahmad Zakie</td><td>Independent Non-Executive Chairman</td></tr><tr><td>Loo Chai Lai</td><td>MD</td></tr><tr><td>Loo Jing Kai</td><td>ED</td></tr><tr><td>Lee Chee Keong</td><td>ED</td></tr><tr><td>Christine Toh Hung Mei</td><td>Independent Non-Executive Director</td></tr><tr><td>Yeat Soo Ching</td><td>Independent Non-Executive Director</td></tr><tr><td>Teh Lay Sim</td><td>Independent Non-Executive Director</td></tr></tbody></table> <p>The present composition of the Board complies with Rule 15.02 of the Listing Requirements of Bursa Securities and Practice 5.2 of the MCCG, as half (50%) of the Board comprises Independent Directors. All the Independent Directors satisfied the independence test under the Listing Requirements of Bursa Securities.</p> <p>The presence of Independent Directors ensures that views, consideration, judgment and discretion exercised by the Board in decision making remain objective and independent whilst assuring the interest of other parties, such as minority shareholders, are fully addressed and adequately protected as well as being accorded with due consideration.</p>	Name	Designation	Tuan Haji Ahmad Zakie	Independent Non-Executive Chairman	Loo Chai Lai	MD	Loo Jing Kai	ED	Lee Chee Keong	ED	Christine Toh Hung Mei	Independent Non-Executive Director	Yeat Soo Ching	Independent Non-Executive Director	Teh Lay Sim	Independent Non-Executive Director
Name	Designation																	
Tuan Haji Ahmad Zakie	Independent Non-Executive Chairman																	
Loo Chai Lai	MD																	
Loo Jing Kai	ED																	
Lee Chee Keong	ED																	
Christine Toh Hung Mei	Independent Non-Executive Director																	
Yeat Soo Ching	Independent Non-Executive Director																	
Teh Lay Sim	Independent Non-Executive Director																	
Explanation for departure	:																	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>																		
Measure	:																	
Timeframe	:																	

Intended Outcome

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	:	There are no Independent Non-Executive Directors serving beyond the cumulative term limit of nine (9) years on the Board of 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

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 Company is committed to appointing Board members and senior management based on objective criteria and merit, while also considering diversity in skills, experience, age, cultural background, and gender. This approach supports the development of a well-rounded and effective leadership team.</p> <p>Appointments to the Board are deliberated collectively, with emphasis placed on qualifications, relevant expertise, industry exposure, and personal attributes that complement the existing Board composition.</p> <p>To support a consistent and transparent process, the Board had adopted the Directors' Fit and Proper Policy, which serves as a reference framework for both appointments and re-elections. This policy is accessible on the Company's website at www.sorentocapital.com.</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>The appointment of new Director is subject to careful assessment and recommendation by the NC and final decision by the Board. The current Board of Directors were identified and assessed by the Principal Adviser and Sponsor from various independent sources during the process of listing of the Company on the ACE Market of Bursa Securities (“the Listing”).</p> <p>The NC is open to referrals from external sources available, such as industry acquaintances, contacts in related industries, consultants, etc to gain access to a wide pool of potential candidates besides tapping on the recommendations from existing Board members, Management or major shareholders. Shortlisted candidates would be required to furnish their curriculum vitae containing information on their academic/professional qualification, work experience, employment history and experience as directors of listed companies (if any).</p> <p>The NC will perform an annual review of the required mix of skills and experience and other qualities including core competencies that Directors should bring to the Board and assess the effectiveness of the Board as a whole, as well as, look into succession planning, boardroom and gender diversity to ensure the effectiveness of the Board.</p> <p>The policies and procedures for the recruitment and appointment of new Directors are guided by the TOR of the NC and the Directors’ Fit and Proper Policy of the Company.</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 NC assessed the performance of the Directors who are seeking re-election at the AGM before recommending them to the Board for consideration. The Board will then recommend the re-election of retiring Directors to the shareholders for their approval at the AGM of the Company.</p> <p>The profile of the Directors who were due for retirement and offered themselves for re-election, which included the nature of interest with the Company, whichever applicable, is set out in the Board of Directors' Profile in the Annual Report 2025 of the Company.</p> <p>A statement by the Board and NC being satisfied with the performance and effectiveness of the retiring Directors who offered themselves for re-election at the 2nd AGM was stated in the notes accompanying the Notice of 2nd AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 Ms. Teh Lay Sim, an Independent Non-Executive Director of the Company.</p> <p>The profile of the Chairperson of the NC is disclosed in the Annual Report 2025.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board is committed to promoting gender diversity in its composition and has adopted a policy to work towards this objective. In making Board appointments, the Board upholds the principle of equal opportunity by assessing candidates based on skills, experience, core competencies, and other relevant qualities, regardless of gender.</p> <p>As at 30 June 2025, the Board comprises three (3) female directors, representing 42.9% of women representation on the Board.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

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	:	The Board had on 9 September 2024 formalised and adopted a Gender Diversity Policy which provides a framework for the Company to improve its gender diversity at the Board level and Senior Management level. The Company recognises the importance of promoting gender diversity at both the Board and senior management levels and is committed to increasing female representation. However, to ensure the suitability and effectiveness of appointments, the Company has not set specific targets for female Directors or senior management under this Policy.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>					
Application	: Applied				
Explanation on application of the practice	: <p>The Company has in place a formal process for assessment of the effectiveness of the Board and the Board Committees as a whole and the contribution by each Director, including the independence of the Independent Non-Executive Director and the effectiveness of the Board and Committees, making reference to the guides available and the good corporate governance compliance.</p> <p>The annual evaluation is conducted internally through a formal process. The evaluation involves the Directors completing a set of self-evaluation questionnaires and submitting the results to the NC. The NC would review the result, assess and make recommendations to the Board.</p> <p>The annual assessment criteria of the Board and Board Committees and individual Directors were updated to stay aligned with the Malaysia Code of Corporate Governance practices. The areas covered in the aforesaid annual assessment criteria are as follows:</p> <table border="1"> <thead> <tr> <th>Evaluation</th> <th>Assessment Criteria</th> </tr> </thead> <tbody> <tr> <td>Board and Board Committees as a whole</td> <td> <ul style="list-style-type: none"> • Role of the Chairman and MD/ED • Board balance, size and composition • Board structure and procedures • Relationship of the Board to Management • Quality and supply of information to the Board/Board's Committees • Access to information and advice • Accountability for financial reporting, internal control and sustainability risk and opportunities • Relation with Auditors/Shareholders/Investors • Use of Board Committees </td> </tr> </tbody> </table>	Evaluation	Assessment Criteria	Board and Board Committees as a whole	<ul style="list-style-type: none"> • Role of the Chairman and MD/ED • Board balance, size and composition • Board structure and procedures • Relationship of the Board to Management • Quality and supply of information to the Board/Board's Committees • Access to information and advice • Accountability for financial reporting, internal control and sustainability risk and opportunities • Relation with Auditors/Shareholders/Investors • Use of Board Committees
Evaluation	Assessment Criteria				
Board and Board Committees as a whole	<ul style="list-style-type: none"> • Role of the Chairman and MD/ED • Board balance, size and composition • Board structure and procedures • Relationship of the Board to Management • Quality and supply of information to the Board/Board's Committees • Access to information and advice • Accountability for financial reporting, internal control and sustainability risk and opportunities • Relation with Auditors/Shareholders/Investors • Use of Board Committees 				

		<ul style="list-style-type: none"> • Directors' training
	ARMC	<ul style="list-style-type: none"> • Composition and quality • Oversight of the financial reporting process, including internal controls • Understanding the business, including risk and control environment • Access to information and advice • Oversight of audit functions • Compliance with corporate governance • External Auditors • Staying abreast on issues • Report and recommendations
	MD/ED	<ul style="list-style-type: none"> • Financial • Strategic and sustainability • Conformance and compliance • Business acumen/increasing shareholders' wealth • Succession planning • Personal input to the role
	Non-Executive Directors	<ul style="list-style-type: none"> • Attendance at Board and/or Board Committees' meetings • Adequate preparation for Board and/or Board Committees' meetings • Regular contribution to Board and/or Board Committees' meetings • Personal input to the role
<p>In respect of the annual performance evaluation for the FYE 2025, it was concluded that:</p> <p>(a) the Board and Board Committees discharged their duties and responsibilities effectively; and</p> <p>(b) each Director continued to perform effectively and demonstrated commitment to his/her role.</p> <p>The Board is satisfied with the current evaluation process. The Board will continue to review the Board's evaluation process as and when necessary to ensure it remains a valuable feedback mechanism for improving the Board's effectiveness.</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 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 had on 9 September 2024 adopted a Remuneration Policy which serves as a guide for the Board and the RC to determine the remuneration of Directors and/or senior management of the Company, which takes into account the demands, complexities and performance of the Company as well as skills and experience required.</p> <p>The Remuneration Policy is available on the Company’s website at www.sorentocapital.com.</p> <p>The remuneration of the MD/ED and senior management is made up of fixed salaries and performance-based incentive components, while the remuneration of Non-Executive Directors consists of Directors’ fees and shall not be based on commission, percentage of profits or turnover.</p> <p>Each Director shall abstain from the deliberation and voting on matters pertaining to their own remuneration.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied								
Explanation on application of the practice	:	<p>The RC comprises solely of Independent Non-Executive Directors and its composition is as follows:</p> <table border="1"> <thead> <tr> <th>RC</th> <th>Designation</th> </tr> </thead> <tbody> <tr> <td>Yeap Soo Ching</td> <td>Chairperson, Independent Non-Executive Director</td> </tr> <tr> <td>Christine Toh Hung Mei</td> <td>Member, Independent Non-Executive Director</td> </tr> <tr> <td>Teh Lay Sim</td> <td>Member, Independent Non-Executive Director</td> </tr> </tbody> </table> <p>The TOR of RC is accessible on the Company's website at www.sorentocapital.com.</p> <p>The RC is principally responsible for the development and review of the remuneration policy and packages of Directors, where necessary, and subsequently tables their recommendations to the Board on specific adjustments in remuneration (including fees and benefits) to commensurate with the contributions of the Directors.</p>	RC	Designation	Yeap Soo Ching	Chairperson, Independent Non-Executive Director	Christine Toh Hung Mei	Member, Independent Non-Executive Director	Teh Lay Sim	Member, Independent Non-Executive Director
RC	Designation									
Yeap Soo Ching	Chairperson, Independent Non-Executive Director									
Christine Toh Hung Mei	Member, Independent Non-Executive Director									
Teh Lay Sim	Member, Independent Non-Executive Director									
Explanation for departure	:									
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>										
Measure	:									

Timeframe	:		
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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 detailed disclosure on a named basis for the remuneration of individual Directors for the FYE 2025 for each individual Director are set out in the table below and disclosed in the Corporate Governance Overview Statement of the Annual Report 2025.

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	Tuan Haji Ahmad Zakie Bin Haji Ahmad Shariff	Independent Director	72	3	-	-	-	-	75	72	3	-	-	-	-	75
2	Loo Chai Lai	Executive Director	-	-	1,800	366.43	28	135.66	2,330.09	-	-	1,800	366.43	28	135.66	2,330.09
3	Loo Jing Kai	Executive Director	-	-	420	183.21	-	73.44	676.65	-	-	420	183.21	-	73.44	676.65
4	Lee Chee Keong	Executive Director	-	-	348	363.21	17.4	86.68	815.29	-	-	348	363.21	17.4	86.68	815.29
5	Christine Toh Hung Mei	Independent Director	36	3	-	-	-	-	39	36	3	-	-	-	-	39
6	Yeat Soo Ching	Independent Director	36	3	-	-	-	-	39	36	3	-	-	-	-	39
7	Teh Lay Sim	Independent Director	36	3	-	-	-	-	39	36	3	-	-	-	-	39
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here				
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				
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				
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				
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				
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				
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				
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				

Intended Outcome

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

Practice 8.2

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

Application	:	Departure									
Explanation on application of the practice	:										
Explanation for departure	:	Due to the confidentiality and sensitivity of the remuneration package of Senior Management as well as security concerns, the Board opts not to disclose the Senior Management's remuneration components on a named basis in the bands of RM50,000.									
		The Board is of the view that the disclosure of the Senior Management's remuneration components would not be in the best interest of the Company given the competitive human resources environment as such disclosure may give rise to recruitment and talent retention issues. The Board is of the opinion that the disclosure of Senior Management's aggregated remuneration on an unnamed basis in the bands of RM50,000 is adequate, as follows:-									
		<table border="1"> <thead> <tr> <th>Range of Remuneration</th> <th>Number of Key Senior Management</th> </tr> </thead> <tbody> <tr> <td>RM200,001 to RM250,000</td> <td style="text-align: center;">2</td> </tr> <tr> <td>RM300,001 to RM350,000</td> <td style="text-align: center;">1</td> </tr> <tr> <td>RM450,001 to RM500,000</td> <td style="text-align: center;">1</td> </tr> </tbody> </table>	Range of Remuneration	Number of Key Senior Management	RM200,001 to RM250,000	2	RM300,001 to RM350,000	1	RM450,001 to RM500,000	1	
Range of Remuneration	Number of Key Senior Management										
RM200,001 to RM250,000	2										
RM300,001 to RM350,000	1										
RM450,001 to RM500,000	1										
<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.				
2	Input info here	Input info here	Choose an item.	Choose an item.				
3	Input info here	Input info here	Choose an item.	Choose an item.				
4	Input info here	Input info here	Choose an item.	Choose an item.				
5	Input info here	Input info here	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						
2	Input info here	Input info here						
3	Input info here	Input info here						
4	Input info here	Input info here						
5	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 ARMC is chaired by Ms. Christine Toh Hung Mei, who is an Independent Non-Executive Director, whereas the Board is chaired by Tuan Haji Ahmad Zakie. This separation of positions is to ensure that the Board's review of the ARMC's findings and recommendations is not impaired.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group recognises the importance of safeguarding the independence of its external auditors to prevent potential conflicts of interest. The ARMC currently comprises three (3) members, none of whom are former partners of the Company's external audit firm.</p> <p>In line with good governance practices, the Company observes a minimum cooling-off period of three (3) years before appointing any former partners of the Group's external audit firm as a member of the ARMC. This requirement is incorporated into the TOR of the ARMC, which is accessible on the Company's website at www.sorentocapital.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board had established an External Auditors Assessment Policy which sets out the guidelines and procedures to be followed by the ARMC in reviewing, assessing and monitoring the suitability, independence and performance of the External Auditors covering amongst others, the following:-</p> <ul style="list-style-type: none">(a) Calibre of the audit firm;(b) Quality of the audit engagement team;(c) Quality of communication and interaction with the audit team;(d) Audit scope and quality processes;(e) Audit governance and independence; and(f) Audit fee. <p>The External Auditors are precluded from providing any services that may impair their independence or conflict with their role as External Auditors.</p> <p>In addition, the ARMC had received assurance from the External Auditors confirming that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</p> <p>The ARMC had carried out an annual performance assessment of the External Auditors and concluded that the External Auditors were of competence and had provided the necessary quality of service to continue serving the Company and the Group.</p> <p>The ARMC is satisfied with the performance, suitability and independence of the External Auditors of the Company, TGS TW PLT. Having assessed their performance, the ARMC had recommended to the Board, the re-appointment of the External Auditors upon which the shareholders' approval will be sought at the forthcoming AGM of the Company.</p>
Explanation for departure	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>All the members of the ARMC are Independent Non-Executive Directors and as such, there is a strong and independent element to provide effective oversight for it to function effectively and exercise objective judgement independently.</p> <p>The composition of the ARMC is as follows:-</p> <ul style="list-style-type: none">(a) Ms. Christine Toh Hung Mei, <i>Chairperson</i>;(b) Ms. Yeat Soo Ching, <i>Member</i>; and(c) Ms. Teh Lay Sim, <i>Member</i>.

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>Ms. Christine Toh Hung Mei, our ARMC Chairperson, is a Fellow of the Chartered Institute of Arbitrators and a Chartered Accountant of the Malaysian Institute of Accountants.</p> <p>The Board is confident that the ARMC members possess the necessary accounting and financial management expertise to discharge their responsibilities effectively and to assist the Board in overseeing the financial reporting process.</p> <p>The Board is satisfied that the ARMC has carried out its functions effectively in ensuring that the Company's financial statements comply with applicable reporting standards and serve as a reliable source of financial information for shareholders and stakeholders.</p> <p>During the FYE 2025, all ARMC members have undertaken ongoing training and development to keep abreast of the relevant developments in accounting and auditing standards, practices and rules. Details of their training are set out in the Corporate Governance Overview Statement of the Annual Report 2025.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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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 has established an effective risk management and internal control framework to identify, assess, and manage the risks faced by the Group. It undertakes regular and systematic reviews of the internal control systems, risk management processes, and compliance with the Group's established policies and procedures to provide reasonable assurance that these systems operate effectively.</p> <p>Further details of the risk management and internal control framework, are disclosed in the Statement on Risk Management and Internal Control in the Annual Report 2025.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges that effective risk management and internal control practices are fundamental to maintaining strong corporate governance. It assumes overall responsibility for ensuring that the Group's framework is capable of identifying, evaluating and managing material risks in a structured and consistent manner.</p> <p>The Group has established a continuous process for monitoring and addressing significant risks through a defined framework supported by clear reporting lines. The internal control system is designed to provide reasonable assurance in safeguarding the Group's assets and achieving business objectives. However, the Board recognises that, due to inherent limitations, no system can fully eliminate risks or guarantee absolute assurance against potential failures.</p> <p>The full features of the risk management and internal control framework are set out in the Statement on Risk Management and Internal Control in the Annual Report 2025.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 :	Not Adopted
Explanation on adoption of the practice :	

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>In preparation for the Listing, the Company engaged GovernanceAdvisory.com Sdn. Bhd. (“GA”), an independent professional consulting firm, as its Internal Control Consultant to review the adequacy and sufficiency of systems, procedures and controls of the Group.</p> <p>Subsequent to the listing exercise, the Group continued to entrust GA with the internal audit function. GA reports directly to the ARMC, which in turn reports to the Board to ensure adequate coverage.</p> <p>In performing its duties, the Internal Auditors have free and unfettered access to information and to meet with any of the department heads or persons in charge.</p> <p>The internal audit functions and activities carried out during the FYE 2025 are as disclosed in the ARMC Report in the Annual Report 2025.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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	:	The Internal Audit function was outsourced to GA which is free from any relationship or conflict of interest, which could impair their objectivity and independence.		
		The profile of the person responsible for the internal audit of the Group from GA is as follows:		
		Principal Engagement Lead	:	Mr Wong Tchen Cheg
		Qualification	:	Chartered Accountant Malaysia CPA (Australia)
		Experience	:	Approximately 19 Years
		No. of resources	:	Approximately 10 personnel
		The internal audit function is carried out in accordance with International Professional Practices Framework issued by The Institute of Internal Auditors.		
		Further details of the internal audit activities are disclosed in the Statement on Risk Management and Internal Control in the Annual Report 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 continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of keeping stakeholders and the wider investment community informed of all material business matters affecting the Group. This is achieved through the timely dissemination of information on the Group's performance and major developments via the following channels:-</p> <ul style="list-style-type: none"> • the Annual Report published on the Company's website and Bursa Securities' website; • the convening of Annual General Meetings ("AGM") and/or Extraordinary General Meetings; and • the release of various disclosures and announcements, including quarterly financial results. <p>The Company's corporate website at www.sorentocapital.com, offers comprehensive corporate information about the Company and is accessible to the public.</p> <p>Additionally, the general meetings also serve as another key avenue for shareholders to engage with the Company where they may raise questions and concerns or seek clarifications on the Company's business and reports from the Company Directors.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The notice for convening the forthcoming 2nd AGM of the Company is issued to the shareholders at least twenty-eight (28) days before the date of the 2nd AGM, which gives shareholders sufficient time to review the Annual Report 2025 and to consider the resolutions for any questions they might wish to raise during the 2nd AGM.</p> <p>The notice of general meeting is prepared with clear and comprehensive explanations of the proposed resolutions, together with any relevant information or recommendations where necessary. This ensures that shareholders are given sufficient time and insight to properly evaluate the matters to be tabled and to make informed decisions when exercising their voting rights.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company was listed on the ACE Market of Bursa Securities on 28 October 2024 and its First AGM was held before its listing, i.e. on 5 August 2024.</p> <p>The Board will ensure that all Board members, key senior management team, External Auditors and Company Secretaries are present to respond to shareholders' questions during the forthcoming 2nd AGM and any other general meetings.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board will hold the forthcoming 2 nd AGM physically and the venue is easily accessible, ensuring convenience for the shareholders attending the meeting.	
	:	Alternatively, the shareholders who are not able to attend the physical general meetings, are encouraged to appoint the Chairman or any person(s), as their proxy(ies) to attend, participate, speak and vote at the meetings on their behalf.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application :	Applied
Explanation on application of the practice :	<p>The Chairman recognises general meetings as a key platform for meaningful engagement with shareholders and for obtaining constructive feedback.</p> <p>At the upcoming 2nd AGM, the Company will continue to encourage active shareholder participation. The meeting will serve as an avenue to update shareholders on the Group's performance, address queries, and allow shareholders to exercise their voting rights. Relevant questions will be read and responded to by the Chairman, the MD and/or the ED.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 13.5

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

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

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Departure
Explanation on application of the practice	:
Explanation for departure	: The Company was listed on the ACE Market of Bursa Securities on 28 October 2024 and its First AGM was held before its listing, i.e. on 5 August 2024. Hence, the minutes of the 1 st AGM were not circulated to the shareholders. The Board will publish the Summary of Key Matters Discussed for the forthcoming 2 nd AGM on the Company's website at www.sorentocapital.com . The Board believes that the Summary of Key Matters Discussed is sufficient for shareholders' information.
<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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