

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0326
COMPANY NAME : Sorento Capital Berhad
FINANCIAL YEAR : June 30, 2026

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") is collectively responsible for the leadership, oversight, and securing the long-term success of Sorento Capital and its subsidiaries ("the Group"). This 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 respective fiduciary obligations.</p> <p>The Group is led and managed by an effective and experienced Board comprising members with diverse experience, expertise 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 Group's businesses.(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 that underpin sustainability.(iv) Establishing key performance indicators and succession plans.(v) Reviewing and approving new ventures, major acquisitions and disposals 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 ensure that the Group is effectively managed. (viii) Identifying and understanding the principal risks of the Group's businesses 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 procedures in place to facilitate effective communication with stakeholders. (xiii) Supervising the creation and implementation of the investor relations programme and shareholders' communication policy for the Company to facilitate productive communication with shareholders. (xiv) Ensuring that the Group's core values, vision and mission are upheld and shareholders' interests are safeguarded. (xv) Ensuring that all significant systems and procedures are in place for the Group to operate effectively, efficiently, and comply with 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.
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	<p>The Board has also delegated the day-to-day management of the Group to the Managing Director (“MD”)/Executive Director(s) (“ED”) and the Management. To facilitate the effective functioning 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 TOR and report to the Board on matters deliberated and their recommendations thereon. The ultimate responsibility for the final decision on all matters, however, rests 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 framework and reference for the Directors and employees of the Group in the conduct of their daily activities. The Code of Ethics and Conduct forms part of the Board Charter of the Company.</p> <p>The Board Charter and TOR of the respective Board 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”), the Independent Non-Executive Chairman of the Company, whose profile is set out in the Board of Directors’ Profile of the Annual Report of the Company for the financial year ended 30 June 2026 (“FYE 2026”) (“Annual Report 2026”).</p> <p>The Chairman is responsible for ensuring the orderly conduct and effectiveness of the Board. He acts independently and in the best interest of the Group, and leads the Board and represents the Board in engaging with 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	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The positions of Chairman and the Managing Director ("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 clearly sets out 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 and ensure that no one individual has unfettered decision-making powers.</p> <p>There is a clear division of responsibility between the Chairman and the MD to ensure 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 Company's 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 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 1.4

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	:	Applied
Explanation on application of the practice	:	The Chairman of the Board, Tuan Haji Ahmad Zakie, is not a member of the ARMC, NC and RC 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

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) Company 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 Practicing 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 Group's overall compliance with the Act, Main/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 of 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 support to the Board.</p> <p>All Directors have 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>During the financial year under review, the Board and Board Committees' meetings were properly convened, and accurate and proper records of the proceedings and resolutions passed were taken and maintained in the statutory records 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

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 the Board and Board Committee meetings, as well as the annual general meeting ("AGM"). Additionally, it includes the closed periods for trading in securities by Directors and principal officers, aligning with the release of announcements of the Company's quarterly results.</p> <p>The notices of the Board and Board Committee meetings together with the meeting papers are generally furnished to the Board members within five (5) business days prior to the respective meeting dates. 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 Committee meetings, for exceptional matters requiring urgent Board decisions, the Board and Board Committee 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 at Board and Board Committees meetings are duly recorded in the minutes of the 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 capture the deliberations and decisions of the Board and/or the Board Committees, including whether any Director has abstained 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 entitled 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 has 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 document 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 any changes in 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 forms part of the Board Charter and applies to all Directors and employees of the Group. It is available on the Company’s website at www.sorentocapital.com.</p> <p>This Code of Ethics and Conduct sets out the expected standard of ethical behaviour for Directors and all employees of the Group and serves as a guide in the discharge of their duties and responsibilities.</p> <p>To ensure its continued relevance and effectiveness, the Code of Ethics and Conduct will be reviewed and updated periodically, as necessary, to reflect evolving business practices and regulatory requirements.</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 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 has 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 applicable 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	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges that sustainable development is important to the business and operations of the Group, which influences the Group's approach to operating its business by embracing better practices that are sustainable to realise the Group's economic, environmental and social development agenda.</p> <p>The Board, together with the Management, shares responsibility for governing sustainability within the Group. The Board sets the sustainability strategy and oversees the Group's corporate sustainability policies and performance, while Management oversees the implementation of the sustainability strategy and ensures that 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 position of the Group and deliver sustainable returns to the stakeholders.• mitigate negative environmental impacts and conserve the surrounding environment.• foster a robust, diverse and capable workforce, and create a safe and conducive workplace. <p>In addition, the ARMC is also empowered to assist the Board in overseeing the Company's sustainability initiatives and reporting, with a focus on the Environmental, Social and Governance ("ESG") pillars. This responsibility is incorporated into the TOR of ARMC.</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 and 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 of stakeholder engagement are available in the Sustainability Statement in the Annual Report 2026.</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 2026 to ensure they stay abreast of the latest developments in the industry, as well as sustainability-related 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 the Directors during the FYE 2026 are set out in the Corporate Governance Overview Statement of the Annual Report 2026.</p> <p>The Company Secretaries regularly update the Board on applicable changes to 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 provide advice on corporate disclosure 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 Management work collaboratively to manage material sustainability matters, including identifying and addressing the associated risks and opportunities that may affect the Group's long-term growth, resilience and value creation.</p> <p>The Board's performance in overseeing the Group's strategic and business plans, including the integration of sustainability considerations, was assessed through the annual Board Effectiveness Evaluation.</p> <p>Appropriate sustainability mitigation strategies are implemented to manage significant sustainability matters and related risks, and to safeguard the Group's long-term interests and deliver sustainable value to 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, 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 annually.</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 2026, none of the Company's Independent Directors had served the Board for a cumulative term of more than nine (9) years.</p> <p>The annual re-election of retiring Directors is subject to a satisfactory evaluation of their performance and contribution to the Board.</p> <p>In addition, the Company has adopted a Directors' Fit and Proper Policy which serves as a guide to NC and the Board in considering the appointment and re-election of Directors. 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	:		
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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	:	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:	
		The present composition of the Board complies with Paragraph 15.02 of the Listing Requirements of Bursa Securities and Practice 5.2 of the Malaysian Code on Corporate Governance (“MCCG”), as 57.14% of the Board comprises Independent Directors. All the Independent Directors satisfied the independence test under the Listing Requirements of Bursa Securities.	
		The presence of Independent Directors ensures that the views, deliberations, judgments and discretion exercised by the Board in decision-making remain objective and independent, whilst ensuring that the interests of other parties, such as minority shareholders, are fully addressed and adequately protected as well as being accorded with due consideration.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.3

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

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

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.

<i>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.</i>	
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. In identifying suitable candidates for Board appointments, the NC also considers the candidate's ability to devote sufficient time and commitment to discharge his or her responsibilities effectively, including reviewing existing directorships and other professional commitments. 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 has adopted the Directors' Fit and Proper Policy, which serves as a guide for the appointments and re-elections of Directors. This 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

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 a new Director is subject to careful assessment and recommendation by the NC and final approval by the Board. The current Board was 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 various external sources, 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 are required to furnish their curriculum vitae containing information on their academic/professional qualifications, work experience, employment history and experience as directors of listed companies (if any).</p> <p>The NC conducts 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 assesses the effectiveness of the Board as a whole, as well as reviews succession planning, Board composition 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 in the Company, where applicable, is set out in the Board of Directors' Profile section in the Annual Report 2026 of the Company.</p> <p>A statement that the Board and NC were satisfied with the performance and effectiveness of the retiring Directors who offered themselves for re-election at the 3rd AGM was included in the notes accompanying the Notice of 3rd 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	:	The NC is chaired by Ms. Teh Lay Sim, an Independent Non-Executive Director of the Company. The profile of the Chairperson of the NC is disclosed in the Annual Report 2026.	
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 their skills, experience, core competencies, and other relevant qualities, regardless of gender.</p> <p>As at 30 June 2026, the Board comprises three (3) female directors, representing 42.9% of female 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	:	<p>The Board has formalised and adopted a Gender Diversity Policy, which provides a framework for the Company to promote gender diversity at the Board level and senior management level.</p> <p>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.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>					
Application	: Applied				
Explanation on application of the practice	: <p>The Company has in place a formal process to assess the effectiveness of the Board and the Board Committees as a whole and the contribution by each Director. The assessment also includes an evaluation of the independence of the Independent Non-Executive Directors, with reference to the applicable guidelines and good corporate governance practices.</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 results, assess the findings, and make recommendations to the Board.</p> <p>The annual assessment criteria for the Board and Board Committees and individual Directors were updated to remain aligned with the MCCG practices. The areas covered in the aforesaid annual assessment criteria are as follows:</p> <table><tr><th>Evaluation</th><th>Assessment Criteria</th></tr><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</td></tr></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
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				

		<ul style="list-style-type: none"> • Use of Board Committees • 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 of 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 Committee meetings • Adequate preparation for Board and/or Board Committee meetings • Regular contribution to Board and/or Board Committee meetings • Personal input to the role
	<p>In respect of the annual performance evaluation for the FYE 2026, 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 evaluation process as and when necessary to ensure that 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 has adopted a Remuneration Policy which serves as a guide for the Board and the RC to determine the remuneration of Directors of the Company, which takes into account the demands, complexities and performance of the Company, as well as the 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 comprises 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	:	The RC comprises solely of Independent Non-Executive Directors and its composition is as follows:								
		<table><tr><th>RC</th><th>Designation</th></tr><tr><td>Yeat 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></table>	RC	Designation	Yeat 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								
	Yeat Soo Ching	Chairperson, Independent Non-Executive Director								
	Christine Toh Hung Mei	Member, Independent Non-Executive Director								
Teh Lay Sim	Member, Independent Non-Executive Director									
		The TOR of RC is available on the Company’s website at www.sorentocapital.com .								
		The RC is principally responsible for developing and reviewing the remuneration packages of the Directors. The RC makes recommendations to the Board on proposed adjustments to Directors’ remuneration, including fees and benefits, to ensure that such remuneration is commensurate with their respective contributions.								
Explanation for departure	:									
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.										
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 the remuneration of each individual Director, on a named basis, for the FYE 2026 is set out in the table below and in the Corporate Governance Overview Statement of the Annual Report 2026.

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	96	4	-	-	-	-	100	96	4	-	-	-	-	100
2	Loo Chai Lai	Executive Director	-	-	1,908	393.56	26.73	93.46	2,421.75	-	-	1,908	393.56	26.73	93.46	2,421.75
3	Loo Jing Kai	Executive Director	-	-	456	196.78	-	80.23	733.01	-	-	456	196.78	-	80.23	733.01
4	Lee Chee Keong	Executive Director	-	-	456	196.78	16.60	80.23	749.61	-	-	456	196.78	16.60	80.23	749.61
5	Christine Toh Hung Mei	Independent Director	48	4	-	-	-	-	52	48	4	-	-	-	-	52
6	Yeap Soo Ching	Independent Director	48	4	-	-	-	-	52	48	4	-	-	-	-	52
7	Teh Lay Sim	Independent Director	48	4	-	-	-	-	52	48	4	-	-	-	-	52

Intended Outcome

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

Practice 8.2

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

Application	:	Departure										
Explanation on application of the practice	:											
Explanation for departure	:	<p>Due to the confidentiality and sensitivity of the remuneration package of the key senior management, the Board opts not to disclose such information on a named basis. Additionally, the Board is of the view that disclosure of such information would not be in the best interests of the Group given the competitive talent market, as such disclosure may adversely affect the Group’s ability to retain and attract key personnel.</p> <p>As an alternative to the prescribed MCCG practice, the Group discloses the aggregate remuneration of the key senior management for the FYE 2026 on an unnamed basis and in bands of RM50,000, as set out below:</p> <table><tr><th>Range of Remuneration*</th><th>No. of Key Senior Management</th></tr><tr><td>RM250,001 to RM300,000</td><td>1</td></tr><tr><td>RM300,001 to RM350,000</td><td>1</td></tr><tr><td>RM350,001 to RM400,000</td><td>1</td></tr><tr><td>RM550,001 to RM600,000</td><td>1</td></tr></table> <p><i>*Successive bands of (i) RM400,001 to RM450,000; (ii) RM450,001 to RM500,000; and (iii) RM500,001 to RM550,000 are not shown entirely as they are not represented.</i></p> <p>The Board considers that this approach provides an appropriate balance between transparency and accountability in respect of the remuneration of the key senior management and the legitimate commercial considerations associated with the recruitment and retention of key talent.</p>	Range of Remuneration*	No. of Key Senior Management	RM250,001 to RM300,000	1	RM300,001 to RM350,000	1	RM350,001 to RM400,000	1	RM550,001 to RM600,000	1
Range of Remuneration*	No. of Key Senior Management											
RM250,001 to RM300,000	1											
RM300,001 to RM350,000	1											
RM350,001 to RM400,000	1											
RM550,001 to RM600,000	1											
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.												
Measure	:											

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	The 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 remains objective and independent.	
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 outlined in the TOR of the ARMC, which is available on the Company’s website at www.sorentocapital.com.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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, among 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 were and had remained independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</p> <p>The ARMC conducted an annual performance assessment of the External Auditors and concluded that the External Auditors were competent 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 recommended their re-appointment to the Board, subject to shareholders' approval 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, the ARMC comprises a strong independent element that enables it to provide effective oversight and exercise objective and independent judgement.</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 support the Board in overseeing the financial reporting process.</p> <p>The Board is satisfied that the ARMC has discharged its functions effectively in ensuring that the Company's financial statements comply with applicable reporting standards and provide a reliable source of financial information for shareholders and stakeholders.</p> <p>During the FYE 2026, all ARMC members undertook ongoing training and development to keep abreast of 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 2026.</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	:	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. 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 2026.	
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 key 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 2026.</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>The Board has established the Internal Auditors Assessment Policy (“IA Assessment Policy”), together with an annual performance evaluation form. The IA Assessment Policy sets out the guidelines and procedures for the Audit and Risk Management Committee (“ARMC”) to review, assess and monitor the performance, suitability and independence of the Internal Auditors.</p> <p>The Internal Auditors are precluded from providing any services that may impair their independence or give rise to a conflict of interest with their role as Internal Auditors.</p> <p>The ARMC has obtained confirmation from the Internal Auditors that they are, and have remained, independent throughout the internal audit engagement, in accordance with the relevant professional and regulatory requirements.</p> <p>The ARMC conducts an annual performance assessment of the Internal Auditors. The annual evaluation form provides a checklist to facilitate the ARMC’s formal assessment of the independence, effectiveness and efficiency of the Internal Auditors, which includes, among others, the following criteria:</p> <ul style="list-style-type: none">• Calibre of the internal audit firm;• Quality of the internal audit engagement team;• Quality of communication and interaction with the internal auditors;• Internal audit scope and quality processes;• Audit governance and independence; and• Internal audit fee. <p>The internal audit functions and activities carried out during the FYE 2026 are disclosed in the ARMC Report in the Annual Report 2026.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 11.2

The board should disclose—

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

Application	:	Applied												
Explanation on application of the practice	:	<p>The internal audit function is outsourced to GovernanceAdvisory.com Sdn. Bhd. (“GA” or “Internal Auditors”), an independent professional consulting firm, which reports directly to the ARMC.</p> <p>The Internal Audit is free from any relationship or conflict of interest, which could impair its objectivity and independence.</p> <p>The profile of the person responsible for the internal audit of the Group from GA is as follows:</p> <table><tr><td>Principal Engagement Lead</td><td>:</td><td>Mr Wong Tchen Cheg</td></tr><tr><td>Qualification</td><td>:</td><td>Chartered Accountant Malaysia CPA (Australia)</td></tr><tr><td>Experience</td><td>:</td><td>Approximately 20 Years</td></tr><tr><td>No. of resources</td><td>:</td><td>Approximately 10 personnel</td></tr></table> <p>The internal audit function is carried out in accordance with the International Professional Practices Framework issued by The Institute of Internal Auditors.</p> <p>Further details of the internal audit activities are disclosed in the Statement on Risk Management and Internal Control in the Annual Report 2026.</p>	Principal Engagement Lead	:	Mr Wong Tchen Cheg	Qualification	:	Chartered Accountant Malaysia CPA (Australia)	Experience	:	Approximately 20 Years	No. of resources	:	Approximately 10 personnel
Principal Engagement Lead	:	Mr Wong Tchen Cheg												
Qualification	:	Chartered Accountant Malaysia CPA (Australia)												
Experience	:	Approximately 20 Years												
No. of resources	:	Approximately 10 personnel												
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

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

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The notice of the 2nd AGM held on 9 December 2025 was sent to the shareholders on 29 October 2025, which was more than 28 days prior to the date of the 2nd AGM. This has given shareholders sufficient time to review the Annual Report, consider the resolutions and prepare any questions they may wish to raise at the 2nd AGM.</p> <p>The notice of the 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 information to properly evaluate the matters to be tabled and to make informed decisions when exercising their voting rights.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>All the Directors of the Company attended the 2nd AGM held on 9 December 2025.</p> <p>Senior Management was also in attendance to respond to shareholders’ queries. The External Auditors were invited to attend the 2nd AGM to assist the Board in addressing relevant queries raised by the shareholders.</p> <p>During the 2nd AGM, the Chairman invited shareholders to raise questions on the Company’s audited financial statements and the other agenda items tabled for approval at the 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

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 2 nd AGM was held physically at a venue that was easily accessible to shareholders. The Company will, where practicable, continue to hold its general meetings at venues that are convenient and accessible to shareholders.	
	:	The forthcoming 3 rd AGM will be held at the corporate office of Sorento Capital in Bukit Raja, Klang.	
	:	Alternatively, the shareholders who are unable 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.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.4

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 2nd AGM, the Chairman ensured that sufficient opportunities were given to shareholders to raise questions and matters of concern by providing ample time for the question-and-answer session during the meeting.</p> <p>At the upcoming 3rd 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 addressed 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	:	<p>The minutes of the AGM were not circulated to the shareholders.</p> <p>Alternatively, the Summary of Key Matters Discussed at the 2nd AGM is made available on the Company's website at www.sorentocapital.com. The Board believes that the Summary of Key Matters Discussed is sufficient for shareholders' information.</p>
<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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