

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7186
COMPANY NAME : SWS CAPITAL BERHAD
FINANCIAL YEAR : December 31, 2025

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors' ("Board") function, amongst others, is to lead the Company and its subsidiaries ("Group") towards achieving its short and long-term objectives, providing advice, stewardship and directions to Management, setting corporate strategies for growth and new business development, as well as overseeing the governance of sustainability within the Group.</p> <p>The Board's principal responsibilities include the following:</p> <ul style="list-style-type: none">• reviewing and adopting a strategic plan for the Company, addressing the sustainability of the Group's business;• overseeing the conduct of the Group's business and evaluating if its businesses are being properly managed;• identifying principal business risks faced by the Group and ensuring the implementation of appropriate internal controls and mitigating measures to address such risks;• ensuring that all candidates appointed to senior management positions are of sufficient calibre, including having in place a process to provide for the orderly succession of senior management personnel and members of the Board;• overseeing the development and implementation of a shareholder communications policy; and• reviewing the adequacy and integrity of the Group's internal control and management information systems. <p>To discharge its functions and responsibilities orderly and effectively, the Board has established and delegated specific authorities to the following Board Committees to assist in discharging its oversight function of the Management of the Group:</p> <ul style="list-style-type: none">• Audit Committee ("AC")• Nomination and Remuneration Committee ("NRC")

	<p>The above roles and responsibilities of the Board have been formalised in the Board Charter. The functions, composition, roles and responsibilities, authority and procedures of each Board Committee are set out in their respective Terms of Reference (“TOR”) approved by the Board to ensure effective and efficient decision-making within the Group.</p> <p>Each Board Committee is actively engaged in overseeing the governance matters under their purview in accordance with their respective TOR. The Board Committees are provided with the authority and adequate resources, which include among others, to obtain independent professional advice, if necessary, at the Company’s expense to enable them to discharge their duties and responsibilities.</p> <p>The Board acknowledges that while these Board Committees have the authority to examine issues and make recommendations to the Board, the ultimate responsibility and decision-making for all matters lies with the Board.</p> <p>The Board Charter and the TOR of each Board Committee are available on the Company’s website at www.swscap.com and will be reviewed by the Board periodically to ensure its relevance and effectiveness.</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>Tan Sri Dato' Seri Dr. Tan King Tai @ Tan Khoo Hai, Non-Independent Non-Executive Chairman of the Board is responsible for Board effectiveness and to ensure that the conduct and working of the Board is in an orderly and effective manner.</p> <p>The responsibilities of the Chairman of the Board, amongst others, are as follows:</p> <ul style="list-style-type: none">• provides leadership to the Board to ensure its effectiveness without limiting the principle of collective responsibility for Board decisions;• ensures that the Directors receive complete, adequate and timely information;• ensures effective communications with shareholders;• facilitates effective contribution by Non-Executive Directors;• sets the agenda for Board meetings, in conjunction with the Group Managing Director (“MD”) and ensures that adequate time is available for discussion of all items on the agenda;• promotes high standards of corporate governance; and promotes a culture of openness and debate during Board meetings.
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 roles and responsibilities of the Chairman and Group MD are strictly separated. Both positions are held by different individuals to ensure clear balance of power and authority and to maintain effective supervision and accountability of the Board and Management.</p> <p>The Board is led by Tan Sri Dato' Seri Dr. Tan King Tai @ Tan Khoon Hai, the Non-Independent Non-Executive Chairman, who manages the Board by focusing on governance and compliance matters of the Group.</p> <p>Dato' Chua Heok Wee, the Group MD, takes on the primary responsibility of managing the Group's businesses and resources, overseeing the day-to-day operations of the Group, as well as implementation of the Board's decisions, policies and strategies.</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	: <p>The Chairman of the Board, Tan Sri Dato' Seri Dr. Tang King Tai @ Tan Khoon Hai, is not a member of any Board Committees, including the AC and the NRC. However, he was invited to attend AC and NRC meetings as an observer to gain insight into the discussions and proceedings.</p> <p>The AC and NRC welcomed his presence and values his input, given his experience and objectivity. His role in these meetings was limited to providing clarification and responding to questions when requested. He did not participate in the decision-making process.</p> <p>The AC and NRC affirmed that the Chairman's presence did not compromise its independence, objectivity, or its check-and-balance function. The Committee continued to deliberate and express views independently, with discussions led solely by its Independent Directors. The final decisions and approvals rest solely with the AC and NRC, which is composed entirely of Independent Directors. This composition allows the Committee to maintain focus, apply independent judgment, and drive more objective and effective decision-making.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	: Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	: Choose an item.

Intended Outcome

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

Practice 1.5

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

Application	: Applied
Explanation on application of the practice	<p>The Board is supported by professionally qualified and competent Company Secretaries, Mr. Tan Tong Lang and Ms. Thien Lee Mee.</p> <p>The Company Secretaries work closely with the Board and Board Committees, play a vital role in advising and updating on corporate governance related matters and ensure that the Board adheres to the relevant statutory and regulatory requirements, as well as the Company's Constitution and the Board's policies and procedures.</p> <p>The roles and responsibilities of the Company Secretaries include, among others, the following:</p> <ul style="list-style-type: none">• manage all Board and Board committees' logistics, attend and record minutes of all Board's and Board committees' meetings and facilitate Board communications;• advise the Board on its key roles and responsibilities;• ensure adherence to Board's and Board committees' policies and procedures;• facilitate the orientation of new Directors and assist in Directors' training and development;• advise the Board on corporate governance disclosures and compliance with company and securities regulations and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR");• ensure timely communication of Board's and Board committees' decisions to Executive Management for action;• manage processes pertaining to general meetings;• monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations;• notify the Chairman of any possible violations of regulatory requirements; and• serve as a focal point for stakeholders' communications and engagement on corporate governance issues. <p>The Company Secretaries keep themselves abreast of the evolving capital market environment, as well as the changes and developments in relevant corporate governance and regulatory requirements by undertaking continuous professional development.</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 facilitate the Directors' time planning, the annual meeting schedule of the Board and Board Committees' meetings of the Company is circulated in advance and confirmed by the Board at the beginning of each financial year to provide ample time for the Directors to plan their attendance.</p> <p>The notices of meetings and agenda together with Board meeting papers are furnished to the Directors at least seven (7) days prior to the Board meetings.</p> <p>This enables the Directors to prior peruse the matters to be deliberated upon, and if necessary, to obtain further information, to facilitate effective deliberation and informed decision-making during meetings. The Board meeting papers include, among others, the following documents or information:</p> <ul style="list-style-type: none">• reports of meetings of all committees of the Board including matters requiring the Board's deliberation, approval and notation• performance reports of the Group, which include information on financial, strategic business issues and updates• major operational, financial, legal, regulatory and corporate issues• board papers for other matters for discussion or approval <p>All deliberations and decisions of the Board meetings were minuted and recorded accordingly by the Company Secretaries. The Company Secretaries, where relevant, seek clarification from Management to ensure that the draft minutes appropriately captured relevant technical points and issues discussed at the meeting.</p> <p>Upon completion of each Board meeting, the Company Secretaries will circulate the minutes to the Directors for review as soon as practicable, before the Chairman confirms the minutes at the following Board meeting. The Directors ensure that the minutes of meetings accurately reflect the deliberations and decisions of the Board, including dissenting views and instances where Directors abstain from deliberation and decision-making on a particular matter, as well as the rationale behind those decisions.</p>

	Such minutes, having been signed by either the Chairman of the meeting concerned or the Chairman of the next meeting pursuant to the Company's Constitution, shall be sufficient evidence of such proceedings.	
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 formally adopted a Board Charter that sets out the respective roles and responsibilities of the Board, Board committees and Management and the standard of conduct expected of individual Directors.</p> <p>The Board Charter provides guidance for Directors and Management regarding the responsibilities of the Board and its Committees and Management in carrying out their stewardship role and in discharging their duties towards the Company as well as boardroom activities.</p> <p>The Board Charter is reviewed periodically or as and when changes occur to ensure that it reflects the current needs of the Group.</p> <p>More information on the Board Charter can be found on the Company's website.</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 Board, together with the Management, is committed to promote good corporate governance culture within the organisation which reinforces ethical, prudent and professional behaviour. As guided by the Malaysian Code on Corporate Governance 2021 (“MCCG 2021”), the Board continuously upholds corporate governance standards and values in the organisation and strives to lead by example in strengthening the competitiveness and investor confidence in the capital market.</p> <p>Code of Conduct</p> <p>The Board has formalised a Code of Conduct which reflects the Group’s vision and core values of integrity, respect and trust. The core areas concerned include the following:</p> <ul style="list-style-type: none">• compliance with laws• fair dealing• confidentiality and protection of company assets• conflicts of interest• reporting non-compliance• employee• occupational, health, safety and environment• know your customer and proper documentation <p>The Code of Conduct governs the conduct of the Directors and all employees of the Group and provides guidance on the communication process and the duty to report whenever there are breaches of the same. This Code of Conduct is reviewed and updated from time to time by the Board to ensure that it continues to remain relevant and appropriate.</p> <p>The Code of Conduct can be viewed on the Group’s website.</p> <p>Whistle Blowing Policy and Procedures</p>

	<p>To maintain the highest standards of ethical conduct, the Group has a formal Whistle Blowing Policy and Procedures. As prescribed in this policy, the Board gave their assurance that employees' and third parties' identities will be kept confidential and whistle-blowers will not be at risk to any form of victimisation or retaliation from their superiors or any member of Executive Management provided that the reporting is in good faith.</p> <p>All concerns raised will be investigated and whistle-blowers can report through telephone or via mail to the Group MD, Dato' Chua Heok Wee. If this is considered inappropriate, reports can be made to the AC Chairperson, Ms. Ong Peng Teng.</p> <p>The Whistle Blowing Policy and Procedures can be viewed on the Company's website.</p> <p>Anti-Corruption & Bribery Policy</p> <p>The Group has established the Anti-Corruption & Bribery Policy to express its strong stance against any form of bribery and corruption. The policy outlines the key principles that the Group believes in and provides guidance on how to handle situations related to bribery, improper solicitation, and other corrupt activities that may arise in the course of business. The aim of the policy is to ensure that the Group operates with integrity and honesty, and that all employees are aware of their responsibilities in maintaining this standard.</p> <p>Conflict of Interest Policy</p> <p>The Company has adopted a Conflict of Interest ("COI") Policy. The Directors and Senior Management should conduct themselves with integrity, impartiality, honesty, and professionalism at all times, and to avoid any conflict arising between their role with the Group and their private interests.</p> <p>Board Charter is currently under review to incorporate the proposed changes in the roles and responsibilities of the Board Committees, in line with the amendments to the MMLR in relation to COI and potential COI of key persons.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	

Timeframe	:		
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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>To maintain the highest standards of ethical conduct, the Group has a formal Whistle Blowing Policy and Procedures. As prescribed in this policy, the Board gave their assurance that employees' and third parties' identities will be kept confidential and whistle-blowers will not be at risk to any form of victimisation or retaliation from their superiors or any member of Executive Management provided that the reporting is in good faith.</p> <p>All concerns raised will be investigated and whistle-blowers can report through telephone or via mail to the Group MD, Dato' Chua Heok Wee. If this is considered inappropriate, reports can be made to the AC Chairperson, Ms. Ong Peng Teng.</p> <p>There was no complaint or report received by the Group MD or AC Chairperson on malpractice or wrongdoing involving Directors or employees of the Group for the financial year ended 31 December ("FYE") 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 4.1

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

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>We engage with our stakeholders actively throughout the financial year as part of our sustainability assessment process. Engagement with stakeholders allows us to gain more complete understanding on our materiality issues and matters. Whilst, we are also able to capture the key aspects and impacts of our sustainability journey.</p> <p>Our stakeholders' engagements are set out in Sustainability Report of the Annual Report 2025. In line with the enhanced Sustainability Reporting Guide 3rd Edition, the performance data table summarises indicators that are pertinent against our Material Matters. This information, available from the ESG Reporting Platform, is also disclosed in the Sustainability Report of the Company's Annual Report 2025.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 conducts annual performance assessment on the effectiveness of the Board as a whole, which covers the aspect of the Group’s sustainability governance. The Board viewed that sustainability should be embedded within the culture of the boardroom, whereby each Director should be able to view the organisation and its operations in the context of sustainability.</p> <p>The Company Secretaries also updated the Board on the changes of the MMLR of Bursa Malaysia Securities Berhad (“Bursa Securities”) pertaining to sustainability reporting requirements, which are relevant to the Group and provide advice on sustainability-related corporate disclosures and compliance matters.</p> <p>The Board is committed to staying abreast with sustainability issues associated with the ever-evolving operating environment which are relevant to the Group’s business, to ensure the Board has sufficient understanding and knowledge of sustainability issue.</p> <p>The list of trainings or seminars on sustainability matters that were attended by the respective Directors is listed as below are as outlined in the Page 42 to 43 of the Annual Report 2025.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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>During the annual evaluation of the Board, the NRC has evaluated the performance of the Board in addressing the Group’s material sustainability risks and opportunities.</p> <p>The details of the Group’s key sustainability outcomes and achievements are available in our Sustainability Report of the Company’s Annual Report 2025.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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 NRC is responsible to assist the Board in the development and implementation of the policies on the nomination and appointment of Directors and Committee members to achieve long-term sustainability of the organisation in accordance with the TOR of the NRC.</p> <p>In this respect, the Board is mindful that for it to be effective, its composition must include the right group of people, with an appropriate mix of skills, knowledge, experience and independence elements that fit the Group's objectives and strategic goals.</p> <p>The tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. Upon completion of this term, an Independent Director may continue to serve on the Board as a Non-Independent Director. Where the Board intends to retain an Independent Director beyond nine (9) years, it must, based on NRC's recommendation, provide justification and seek shareholders' approval through a two-tier voting process.</p> <p>To ensure the appointment and re-election of Director meets the necessary criteria, the Company has established the Directors' Fit and Proper Policy. This policy outlines the approach and standards for the appointment and re-election of Director of the Company and guides the NRC and the Board in their evaluation and assessment of Board candidates and Directors eligible for re-election. This ensures that they possess the required character, experience, integrity, competence, and time to effectively carry out their duties as director.</p> <p>None of the current Independent Directors have been served in office for more than nine (9) cumulative years.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.2

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

Application	:	Applied	
Explanation on application of the practice	:	More than half of the Board comprises Independent Directors, with four (4) out of seven (7) being Independent Non-Executive Directors.	
Explanation for departure	:		
<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	:	<p>The tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. Upon completion of this term, an Independent Director may continue to serve on the Board as a Non-Independent Director. Where the Board intends to retain an Independent Director beyond nine (9) years, it must, based on NRC’s recommendation, provide justification and seek shareholders’ approval through a two-tier voting process.</p> <p>None of the Independent Directors have served in the office for more than cumulative of nine (9) years.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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>In identifying and assessing candidates for appointment to the Board, due consideration is given to a broad range of factors, including skills, knowledge, expertise, experience, background, character, integrity, competence, contribution, and time commitment. These elements are essential to ensure that each Director is able to effectively discharge his or her roles and responsibilities.</p> <p>The Company's Directors' Fit and Proper Policy which was designed with the recommended criteria will also serve as a guide for the review and assessment of potential candidates who are to be appointed to the Board as well as Directors who are seeking for re-election.</p> <p>All Directors are encouraged to declare their time commitments to the Board and to notify the Chairman before accepting any new directorships in other public listed companies. This ensures that such commitments do not interfere with their responsibilities to the Board. The Board believes that all members share equal responsibility for their core duties.</p> <p>The Board is satisfied with the level of time commitment demonstrated by its members in discharging their duties. All Directors hold no more than five (5) directorships in listed issuers in Malaysia, in line with Paragraph 15.06 of the MMLR of Bursa Securities.</p> <p>The Board reaffirms its commitment to fostering a diverse and inclusive workplace across the Group by promoting equal access to opportunities and fair treatment for all individuals. The Group considers all qualified candidates equally, regardless of age, gender, ethnicity, cultural background, or other personal attributes, in matters of recruitment, promotion, remuneration, and professional development. The Board is committed to ensuring a workplace environment that is fair, accessible, flexible, inclusive, and free from all forms of harassment and discrimination.</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	:	The appointment of new Directors is undertaken by the Board as a whole, following the recommendations of the NRC. Although the Board, if appropriate, will rely on recommendations from existing Directors, Management and/or major shareholders, the Board will also take into consideration suitably qualified candidates referred by business associates, advisers, consultants, etc., when considering for potential candidates for appointment to the Board. The Board is mindful of this practice and would consider referrals from external sources to identify suitably qualified candidates when the need arises in the future and will not solely rely on recommendations from existing Board members, Management and/or major shareholders.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board ensures that shareholders are kept informed on any changes in the composition of the Board and Board Committees via announcements on Bursa Link within the prescribed timeline under the MMLR of Bursa Securities.</p> <p>The information on the re-election of the Retiring Directors, along with the Board's statement supporting their re-election and the justifications are set out in the Explanatory Notes to the Notice of the 26th AGM, enabling shareholders to make an informed voting decision on the re-election of the Retiring Directors.</p> <p>The profiles of the Directors are set out in the Board of Directors' Profile of the Company's Annual Report 2025. These include their age, gender, tenure of service, directorships in other companies, working experience and any conflict of interest as well as their shareholdings in the Group, if any.</p>
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 NRC is chaired by Ms. Koay Hooi Lynn, who is an Independent Non-Executive Director.</p> <p>The profile of Ms. Koay Hooi Lynn is available on the Company's Annual Report 2025.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board currently has two (2) female directors among its seven (7) members, making up 29% of the Board. This complies with Paragraph 15.02 of the MMLR, which stipulates that there must be at least one (1) woman director on the Board for a small listed company.</p> <p>The Board is of the view that, while it is important to promote boardroom diversity in terms of gender, age and ethnicity, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board should remain a priority.</p> <p>The Board opined that given the current state of the Group's business and lifecycle, it is more important to have the right mix of skills on the Board rather than to attaining the 30% threshold.</p> <p>Nevertheless, the Board supports the initiative to include female representation on the Board to achieve a more gender diversified Board. The Board continues on the lookout for potential women Directors and shall appoint additional women Directors as and when suitable candidates are identified.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

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

Practice 5.10

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Group practices non-discrimination in Board selection, with no bias based on age, gender, ethnicity, or religion.</p> <p>While recognising the recommendation of the MCCG 2021 on gender diversity, the Board collectively believes that there is no immediate need to implement a formal gender diversity policy. This is because the Group is already committed to providing fair and equal opportunities and nurturing diversity within its ranks.</p> <p>The NRC and the Board will also actively explore ways to increase female representation on the Board in the future. This approach underscores the Group's commitment to fostering inclusivity and diversity within its leadership team.</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	: The Board (via the NRC) evaluates the effectiveness of the Board as a whole, all Board committees of and the contribution of each individual Director. This evaluation, which is done annually, is facilitated by the Company Secretaries and conducted using evaluation forms set up in Bursa Securities's Corporate Governance Guide (3rd Edition) covering the following aspects: (i) Board and Board committees <ul style="list-style-type: none">• Board mix and composition• Quality of information and decision making• Boardroom activities• Board's relationship with the management• Environmental, social and governance issues (ii) Directors <ul style="list-style-type: none">• Fit and proper• Contribution and performance• Calibre and personality• Independence on independent directors As for the AC, the annual evaluation is done in two components: (i) The AC as a whole <ul style="list-style-type: none">• Quality and composition• Skills and competencies• Meeting administration and conduct

	<p align="center">(ii) Self and peer evaluation by the AC members</p> <p>The results of the assessment for the FYE 2025 indicated that the overall performance of the Board, the Board Committees, and individual Directors was effective and satisfactory.</p> <p>The outcomes of the Board assessment also formed the basis of the NRC’s recommendations to the Board on the re-election of Directors retiring at the forthcoming 26th AGM, in accordance with the Directors’ Fit and Proper 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

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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board has not yet formalised a Remuneration Policy and Procedures for Directors and Executive Management.</p> <p>The Board (via the NRC) will ensure that the Group's levels of remuneration commensurate with the skills and responsibilities expected of the Directors and that such remuneration is structured to be fair, reasonable and competitive in order to attract and retain talent required to lead the Group effectively.</p> <p>The Board, as a whole, determines the remuneration of the Directors and each individual Director is required to abstain from discussing his/her own remuneration. The NRC is guided by market norms and industry practices when making recommendations for the compensation and benefits of Directors</p> <p>The NRC's recommended remuneration for Executive Directors is subject to Board's approval as it is the ultimate responsibility of the Board to approve the remuneration of such Directors.</p> <p>In relation to the fees and allowances for Directors, it will be presented at the AGM for shareholders' approval.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.

Timeframe	:	Choose an item.	
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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 NRC, which comprises solely of Independent Non-Executive Directors, assists the Board by reviewing, among others, the Group's policies and procedures on remuneration, including assessing the remuneration packages, reward structure and benefits for all Directors and Senior Management on an annual basis, to ensure the same remain competitive, appropriate and in alignment with the prevalent market practices before recommending to the Board for approval.</p> <p>The NRC may obtain independent advice in establishing the level of remuneration for the Executive Directors and Senior Management. The remuneration packages of Executive Directors and Senior Management comprise a fixed salary and allowances as well as bonus, whilst the remuneration of the Non-Executive Directors comprises annual fees, meeting allowance and reimbursement of expenses for their services in connection with Board and Board Committee meetings.</p> <p>Despite the remuneration packages of the Executive Directors were decided by the Board as a whole, the Executive Directors were abstained from deliberation and voting on decision in respect of their own remuneration.</p> <p>Further, Directors who are shareholders and controlling shareholders with a nominee or connected Director on the Board are required to abstain from voting on the resolution relating to the payment of the Directors' fees and benefits at the AGM.</p> <p>The TOR of the NRC is available on the Company's website.</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The detailed disclosure of the remuneration packages received by individual Directors of the Company on a named basis for the FYE 2025 – including fees, salaries, allowances, defined contributions, benefits-in-kind and others, is set out in the table below.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Tan Sri Dato' Seri Dr. Tan King Tai @ Tan Khoo Hai	Non-Executive Non-Independent Director	140	4	0	0	0	0.9	144.9	140	4	0	0	0	0.9	144.9
2	Dato' Chua Heok Wee	Executive Director	0	0	0	0	0	0	0	0	0	360	0	0	48.2	408.2
3	Chua Kang Sing	Executive Director	0	0	60	0	0	7.7	67.7	0	0	180	0	0	23	203
4	Dato' Seri Simon Toh Boon Wan	Independent Director	56	4	0	0	0	0.8	60.8	56	4	0	0	0	0.8	60.8
5	Koay Hooi Lynn	Independent Director	56	4	0	0	0	0.8	60.8	56	4	0	0	0	0.8	60.8
6	Liu Tian Khiew	Independent Director	56	3.2	0	0	0	0.5	59.7	56	3.2	0	0	0	0.5	59.7
7	Ong Peng Teng	Independent Director	56	4	0	0	0	0.8	60.8	56	4	0	0	0	0.8	60.8
8	Input info here	Choose an item. Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

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

Intended Outcome

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

Practice 8.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>While the Board is cognisant on the importance of transparency, given the competitive search for talent within the industry, as well as other sensitive considerations, the Board believes that individual disclosure on named basis is not in the best interest of the Company. Further, such disclosure does not prejudice stakeholders' interest.</p> <p>This is also in line with the Group's policy of ensuring the privacy of its non-Board employees as well as the competitiveness of the Group in general. Apart from that, the said disclosure may also attract unnecessary head-hunting activities from competitors which will ultimately jeopardise on the Group's operations.</p> <p>Hence, the Board opined that the disclosure of the compensation of key management personnel in Note 32c to the financial statements on page 199 to 202 of the Annual Report 2025 is deemed adequate as it complies with Paragraph 17 of Malaysian Financial Reporting Standard 124 "Related Party Disclosures".</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Chairperson of the AC, Ms. Ong Peng Teng, is not the Chairman of the Board.</p> <p>Having the positions of the Chairman of the Board and the Chairperson of the AC assumed by different individuals allow the Board to objectively review the AC's findings and recommendations. The AC Chairperson is also able to provide full commitment and devote adequate time to review all matters under the purview of the AC.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>As a measure to safeguard the independence and objectivity of the audit process, the Group requires the former partner of the external audit firm of the Group to observe a cooling-off period of at least three (3) years before he/she can be considered for appointment as an AC member.</p> <p>This is designed to avoid potential undue influence the former audit partner may exert over the External Auditors.</p> <p>To-date, the Company has not appointed any former audit partner of the external audit firm of the Group as a Director and a member of the AC.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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 AC is responsible for assessing the capabilities and independence of the External Auditors to ensure integrity in reporting and the reliability of audit quality, as well as to recommend the appointment and re-appointment of the External Auditors to the Board.</p> <p>The AC has policies and procedures to annually review, assess and monitor the performances, suitability, objectivity and independence of the External Auditors. The annual assessment is conducted by way of written evaluation form, covering the competence, audit quality, resource capacity and timeliness of the External Auditors in performing the audit.</p> <p>Messrs. Morison LC PLT ("Morison") had provided written assurance to the AC, confirming that they are and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the terms of relevant professional and regulatory requirements.</p> <p>Based on the written assurance provided by Morison, the Board was of the view that the objectivity and independence of the external auditors are not in any way impaired by reason of the non-audit services provided to the Group.</p> <p>The AC had a private session with the Morison without the presence of any Management to ensure there were no restrictions on their scope of audit. No major concerns were highlighted by the External Auditors during the private session and they had been receiving full co-operation from Management during the course of audit.</p> <p>The AC assessed and evaluated the performance of Morison for the FYE 2025 and was satisfied with the quality of services, performance, adequacy of resources, suitability, objectivity and independence of Morison. The AC therefore, recommended the re-appointment of Morison as External Auditors for the ensuing year to the Board, subject to shareholders' approval.</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	:	The AC comprises four (4) committee members, all of whom are Independent Non-Executive Directors.

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company complies with Rule 15.09(1)(c) of the MMLR of Bursa Securities, where all members of the AC have a solid understanding of the Group's operations and are financially literate, enabling them to analyse and interpret financial statements. This ensures they are able to discharge their duties and responsibilities within the AC's purview effectively, including overseeing the financial reporting process, internal control and risk management systems, as well as ensuring compliance with the applicable regulations, rules, directives, and guidelines.</p> <p>The Chairperson of the AC, Ms Ong Peng Teng, is a member of the Malaysia Institute of Accounts ("MIA") and Association of Chartered Certified Accountants ("ACCA"). She is currently the audit partner for audit firm namely OPT & Co.</p> <p>The qualification and experience of the respective AC members are disclosed in the Board of Directors' Profile of the Company's Annual Report 2025.</p> <p>The AC assists the Board in reviewing the Group's financial reporting process, ensuring the accuracy of its financial results and scrutinising information for disclosure to ensure reliability and compliance with the applicable financial reporting standards. The AC has unrestricted access to both the Internal Auditors and External Auditors, who report functionally and directly to the AC.</p> <p>The term of office and performance of the AC are subject to the annual review of the NRC and the Board is satisfied that the AC members have discharged their functions, duties and responsibilities in accordance with the TOR of the AC during the financial year under review.</p>

	<p>Given the ever-changing financial reporting and corporate landscape, all members of the AC undertake and will continue to pursue continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and regulations as and when required to enable them to effectively discharge their duties.</p> <p>The trainings attended by the AC members during the FYE 2025 are disclosed in the Corporate Governance Overview Statement of the Annual Report 2025.</p>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

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 discharges its responsibilities in risk governance and oversight through the AC, using a structured and integrated risk management and internal control framework.</p> <p>This framework enables Management to identify, evaluate, manage, monitor, and report the Group's principal business risks to the AC and the Board on an ongoing basis. It also ensures that appropriate remedial measures are implemented to address and mitigate risks, recognising that it is not possible to eliminate all risks associated with achieving the Group's business and corporate objectives.</p> <p>The AC assists the Board in overseeing the effectiveness and adequacy of the Group's risk management and internal control systems.</p> <p>To maintain independence and objectivity, the internal audit function is outsourced to Messrs. JWC Consulting Sdn. Bhd. ("JWC"), an independent professional consulting firm with no relationships or conflicts of interest that could impair its impartiality.</p> <p>JWC reports directly to the AC and provides independent assurance on the adequacy, efficiency, and effectiveness of the Group's risk management and internal control systems. The internal audit function follows a risk-based audit approach, conducting audits in accordance with the annual internal audit plan.</p> <p>Further details pertaining to the review of the Group's internal control system and its effectiveness are set out in the Statement on Risk Management and Internal Control ("SORMIC") of the Company's Annual Report 2025.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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 had formalised a risk management and internal control framework to enable Management to identify, evaluate, control, monitor and report to the Board the principal business risks faced by the Group on an ongoing basis, including remedial measures to be taken to address the risks. The Group's risk management and internal control framework adopts a structured and integrated approach in managing key business risks with the aim of safeguarding the Group's assets and shareholders' interests.</p> <p>The AC reviews the adequacy and effectiveness of the risk management and internal control process from time to time, assisted by the Group MD to identify and assess risks as well as to ensure that the risk management and internal control process is adequate and effective.</p> <p>The Board has received assurances from the Group MD and CFO that the Group's risk management and internal control systems are operating adequately and effectively for the FYE 2025 in all material aspects, based on the framework adopted by the Group.</p> <p>The Board is of the view that the Group's existing internal control and risk management systems are adequate and effective for the FYE 2025 to address the risks which the Group considers relevant and material to its operations. The Board continues to take pertinent measures to sustain and, where required, to continuously improve the Group's risk management and internal control systems in meeting the Group's strategic objectives.</p> <p>The features of the Group's risk management framework and internal control system are set out in the SORMIC of the Annual Report 2025.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 10.3 - 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 Group has outsourced its internal audit function to JWC, an independent professional consulting firm, to assist the AC in discharging its responsibilities and duties. The internal audit function provides independent, regular, and systematic reviews of the adequacy and effectiveness of the Group's system of internal controls.</p> <p>JWC reports directly to the AC and has affirmed that they are free from any relationships or conflicts of interest with the Group or the Company that could impair their objectivity and independence as Internal Auditors.</p> <p>To ensure that the full responsibilities of internal audit are fully discharged, the AC:</p> <ul style="list-style-type: none">• Reviewed the internal audit function's mandate on an annual basis.• Assessed the internal audit function's capabilities.• Reviewed the internal audit function's independence and reporting relationship.• Reviewed the internal audit function's audit plans, budgets, quality and quantity of staff and other resources it needs to do its job well.• Reviewed the internal audit function's performance including performance against its audit plans and budgets• Reviewed its internal audit function's reports• Monitored the implementation of internal audit function's reports and recommendations.• Ensured coordination of the internal audit function with annual audits and special examinations.• Reviewed the overall operations of the internal audit function having regard to its mandate and taking into account current internal audit standards. <p>Audit results were discussed with Management, and the findings, together with recommendations for improvement, were subsequently presented to the AC for deliberation at its scheduled quarterly meetings.</p>

	The details of the internal audit function and its summary of activities are elaborated in the AC Report and SORMIC of the Company's 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

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

Practice 11.2

The board should disclose–

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

Application	: Applied
Explanation on application of the practice	<p>The Group has outsourced its internal audit function to JWC, an independent professional consulting firm.</p> <p>JWC is a corporate member of the Institute of Internal Auditors Malaysia, was established in early 2016 to service Public Listed Companies by providing Business Process Reviews, Enterprise Risk Management and Corporate Governance Reviews, as well as pre-IPO Internal Controls Reviews, which are mandatory by Bursa Malaysia.</p> <p>JWC is supported by highly motivated professionals with great passion in what they do and committed to bringing quality services to their clients. The founding Director is a Member of the Malaysian Institute of Accountants, Fellow member of CPA Australia and a Corporate member of The Institute of Internal Auditors Malaysia.</p> <p>To ensure that internal audits are effectively performed, the team comprises suitably qualified personnel with the requisite skills and experience who are also given relevant training development opportunities to update their technical knowledge and auditing skills.</p> <p>For the FYE 2025, the Internal Audit Firm has one (1) Project Director, Two (2) Project Managers, and three (3) Consultants.</p> <p>The internal audit of the Group was conducted in accordance with a risk-based audit plan, which was prepared in line with the International Professional Practices Framework issued by the Institute of Internal Auditors and approved by the AC.</p> <p>JWC reports directly to the AC and has affirmed that they are free from any relationships or conflicts of interest with the Group or the Company that could impair their objectivity and independence as Internal Auditors.</p> <p>The AC carried out its annual assessment of the performance of JWC and was satisfied with its performance for the FYE 2025.</p>

	The details of the internal audit function and its summary of activities are elaborated in the AC Report and SORMIC of the Company's 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 Group is committed to ensuring that its communication with shareholders and other stakeholders is transparent, timely, and of high quality. Recognising that different stakeholder groups have varying levels of interest in the Company, the Board seeks to engage with each group appropriately, providing prompt feedback and consulting stakeholders when making significant decisions. Detailed information on our stakeholder engagement approach and activities during the year is set out on the Sustainability Report.</p> <p>The Board is also committed to ensuring that communications to shareholders and the investing public regarding the Group's business, operations, and financial performance are timely, factual, and disseminated on an equal basis. Although there is no formalised corporate disclosure policy, the Group has procedures in place to comply strictly with all applicable legal and regulatory requirements. Information is communicated via annual reports, circulars/statements to shareholders, quarterly and annual financial statements, and other announcements as necessary.</p> <p>Announcements and information released to Bursa Securities are handled by the Group MD or Company Secretaries in accordance with the MMLR requirements and guided by Bursa Securities' Corporate Disclosure Guide. Price-sensitive information is only released after review by the Group MD and/or the Board where necessary.</p> <p>The Company's website provides relevant information to stakeholders and the investing community, including quarterly and annual financial statements, announcements, annual reports, and circulars/statements to shareholders.</p> <p>Shareholders may direct queries or concerns to the Chairman or Group MD at the Group's principal office:</p> <p>PTD 6001, Jalan Perindustrian 5, Kawasan Perindustrian Bukit Bakri, Batu 8, 84200 Muar, Johor Darul Ta'zim. Tel : +606-9865 236</p>

	<p>Fax : +606 9865 239 Email : info@swscap.com</p> <p>The Company's website www.swscap.com, serves as an accessible platform for stakeholders to obtain corporate information. Dedicated sections provide updates on unaudited quarterly financial results, annual financial statements, announcements, annual reports, circulars/statements to shareholders, corporate governance matters, and other business-related information, enabling stakeholders to make informed decisions.</p> <p>The Board is also of the view that the AGM is the principal forum for dialogue and communication with shareholders. Shareholders are encouraged to attend the AGM as it remains an interactive platform for shareholders to engage directly with the Board and gain insights on the Group's performance as well as business activities.</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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The 25 th Annual General Meeting (AGM) of the Company was held on 20 May 2025. The notice for the AGM was issued on 23 April 2025, for which a 27 days' notice was given to the shareholders for the 25 th AGM.	
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 13.2

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

Application	:	Departure	
Explanation on application of the practice	:	Please provide an explanation on how the practice is being applied.	
Explanation for departure	:	The Board recognizes its stewardship role in the Company and is committed to engaging with shareholders by providing constructive responses to their queries. The Board encourages shareholders' active participation at the Company's AGM and strives to ensure the presence of all Directors, Key Senior Management, and the External Auditors to address shareholders' questions	
		All Directors, except for Mr. Liu Tian Khiew, along with the External Auditors, attended the 25 th AGM held on 20 May 2025 in person, in compliance with the MMLR to hold AGMs at a physical venue.	
		Barring unforeseen circumstances, all Directors, including the Chairs of all mandated Board Committees, will be in attendance to address shareholders' enquiries. The External Auditors will also attend to respond to questions regarding the conduct of the audit and the preparation of the auditor's report.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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	:	<p>The 25th AGM held on 20 May 2025 was conducted physically at Function Hall, Level 1 of Annex Building of Ee-Lin Enterprise (M) Sdn Bhd., 1027, Lengkok Perindustrian Bukit Minyak 1, Kawasan Perindustrian Bukit Minyak, 14100 Simpang Ampat, Penang, which is easily accessible to the shareholders.</p> <p>The Group appointed Baker Tilly MH (Penang) Sdn. Bhd. as the Independent Scrutineer to oversee and verify the poll voting process.</p> <p>The Notice of the 25th AGM was issued to shareholders on 22 April 2025, providing 27 days' notice in compliance with the MMLR of Bursa Securities and the Companies Act, 2016.</p> <p>The Notice was also made available on the Company's and Bursa Securities' websites. Shareholders who were unable to attend the AGM were entitled to appoint their own proxy(ies) or the Chairman as their proxy to attend and vote on their behalf.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

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	: Members, proxies, and/or corporate representatives were allowed to submit questions to the Board in advance of the 25 th AGM via info@swscap.com . Ample time and opportunity were provided for shareholders, proxies, and/or corporate representatives to raise questions. During the Question and Answer session, the Chairman of the Board, Tan Sri Dato' Seri Dr. Tan King Hai @ Tan Khoo Hai , invited questions from the floor. All questions raised by shareholders, proxies and Minority Shareholders Watch Group were addressed by the Board with meaningful responses. Whilst the AGM is one of the platforms where shareholders can raise issues or seek explanation from the Board or Management, they are free to share their feedback and questions at the "Contact Us" at the Group's website at any time, outside of the AGM.
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 uploaded the Minutes of the 25 th AGM after 30 business days after the general meeting.
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

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

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

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