

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5592
COMPANY NAME : GRAND CENTRAL ENTERPRISES BHD
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 PERSUANT 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	:	<ul style="list-style-type: none">• The Board is responsible to lead and control the Group's strategic direction, objectives, and ensure that the necessary financial and human resources are in place for the company to meet its objectives.• The Board also oversees the business operations, resource management, assessment of risks and effectiveness of internal control framework.• The Board, together with the senior management, shows its commitment to promote good corporate governance culture within the organization which reinforces ethical, prudent and professional behaviour. This is founded on the principles of transparency, objectivity and integrity. There is a regular review on the adequacy of the Board Charter, Whistleblowing Policy, Anti-Corruption and Bribery Policy, Fit & Proper Policy as well as the Sustainability Policy.• The Board ensures that the strategic plan of the Group supports long-term value creation and sustainability. As such, relevant economic, environmental, social considerations have been embedded in the company's business strategies and operations. The Sustainability Policy is a practical and proactive policy, which clearly defined the goals and milestones of the Group, and recognize the responsibility to the community and environment, in managing the business and operations.• To ensure the effectiveness of the Board, the Board has carried out an annual Self and Peer Evaluation Assessment to determine the Board members have necessary skills and experience and competency in carrying out their tasks.

	<ul style="list-style-type: none"> Annual Report is the key channel of communication with stakeholders. Another important avenue for communication and dialogue is Annual General Meeting of the Company, and also the dedicated website link to the Company's Investor Relations that provides the stakeholders and investors with information of the Company as well as the announcements made to Bursa Malaysia Securities Berhad. 	
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	:	<ul style="list-style-type: none"> • The Chairman with the assistance of the Company Secretaries sets the Board agenda for each meeting as scheduled and ensures that the Board members are given adequate time for discussion of all items in the agenda, in particular strategic and critical issues. • The Chairman leads the Board meetings and discussions in an effective manner and should encourage a culture of openness and debate manner at the Board. • The Chairman ensures the appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole. The Chairman shall act as the spokesperson for the Board and is the principal contact for the Deputy Chairman. • The Chairman ensures effective functioning of the Board, oversees and facilitates Board, Committee and Board members evaluation reviews and succession planning alongside the Chairman of the Nominating Committee. • The Chairman leads the Board in establishing and monitoring good corporate governance practices in the Company. • The Deputy Chairman assists the Chairman in conducting meetings in his absence, ensures there is a strong relationship between the Board and the Chairman, promotes constructive dialogues between executive and non-executive directors, and ensures the Board and the Chairman are communicating well with stakeholders.
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.3

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

Application	:	Applied	
Explanation on application of the practice	:	<ul style="list-style-type: none"> The positions of the Chairman and Deputy Chairman are held by two different individuals. The Chairman, Mr. Tan Teck Lin is primarily responsible to lead and manage the Board by focusing on strategy, governance and compliance. The Deputy Chairman, Mr. Tan Eng How manages the business and operations of the Group and implements the Board's decisions. The distinct and separate roles of the Chairman and Deputy Chairman, with their clear division of responsibilities, ensure a balance of power and authority, hence no one individual can influence Board's discussions and decision-making. 	
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, Nominating Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	The Chairman is not a member of Audit Committee, Nominating Committee or Remuneration Committee. All the Board Committees Members are held by the Independent 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

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 Company Secretaries are responsible for advising the Board on its roles and responsibilities; Monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations.</p> <p>The Company Secretary is also responsible to ensure that Board's policies and procedures are followed and that applicable rules and regulations are complied with.</p> <p>The Company Secretary's other responsibilities are: -</p> <ul style="list-style-type: none">• To ensure good information flows within the Board and its Board Committees and between Management and non-executive directors, advising the Board on all governance matters, Board policies and procedures as well as pertinent regulatory requirements (e.g. company and securities regulations and listing requirements including disclosure obligations).• To notify the Chairman of any possible violations of regulatory requirements.• To attend and record minutes of Board and Board Committee meetings as well as facilitate Board communications and ensuring that all the resolutions are properly attended to.• To facilitate the orientation and assist with professional development as required. <p>The Company Secretary manage processes pertaining to the shareholder meeting and serve as a focal point for stakeholders' communication and engagement on corporate governance issues.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.6

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	:	<ul style="list-style-type: none"> • During the Financial Year Ended 2025, 5 Board meetings, 4 Audit Committee Meetings, 3 Nominating Committee Meetings, and 2 Remuneration Committee Meetings were held at the Conference Room of Hotel Grand Continental, Kuala Lumpur. • The Board meeting agenda was set by the Chairman, assisted by the Company Secretary and Deputy Chairman. • The various committees meeting agenda were set by respective committee's Chairman assisted by the Company Secretary. • Notice of meetings were served 7 days beforehand follow with the meeting agenda and meeting materials to all Directors for review. • Records of the proceeding of the meeting was minuted and circulated to the Board members. The confirmed minutes of the meeting was kept as statutory records of the company. 	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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	:	<ul style="list-style-type: none"> • The Group's Board Charter will be periodically reviewed as and when necessary. It was reviewed in 2025 and published on the Company's website at https://gcebhd.com.my. • The Board Charter outlines the respective roles and responsibilities of the Board, Board Committees, Chairman, Deputy Chairman and Executive Directors, to ensure they act within the specific authorities delegated by the Board and within specific direction.
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	:	<ul style="list-style-type: none">• The Board is committed to ethical values through a Code of Ethics and ensures the Directors in performing their duties should at all times act fiduciary, in line with laws, rules and regulations.• The Code of Ethics for the Company Directors is published on the Company's website https://gcebhd.com.my.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<ul style="list-style-type: none"> • The Board has established a Whistleblowing Policy with the purpose to ensure the right decisions are made when confronted with situations that test our values, beliefs and judgement. This policy was also included in the Group's Employee's Handbook. • This policy provides an avenue for employees or any external party to report any breach or suspected breach of any law or regulation, such employee who makes a report shall not be subject to unfair dismissal, separation, demotion or suspension or loss of benefits because of the report. • The Group's whistleblowing policy was last reviewed and updated in 2025 and is published on the Company's website at https://gcebhd.com.my. • The Audit Committee is responsible for overseeing the implementation of the Whistleblowing Policy for the Group. • There was no whistleblowing reported during year 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

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	:	The Company is committed to sustainable value creation, ensuring our operations meet present needs without compromising the ability of future generations to meet theirs. In alignment with IFRS S1, the Board holds ultimate responsibility for the governance of sustainability-related risks and opportunities. This oversight includes setting the Company’s strategic direction, priorities, and targets across our three sustainability pillars: Environmental, Social, and Governance (“ESG”). To ensure our disclosures provide decision-useful information for primary users of financial reports, the Board engaged ESG Resources Sdn. Bhd. to conduct a formal assessment of sustainability-related risks and opportunities. This assessment focused on our materiality matrix, analyzing data related to: Economic impact, Environmental footprint including climate-related physical and transition risks in accordance with IFRS S2 and Social & Human capital.
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	:	Our sustainability performance and strategic priorities are disclosed annually in our Sustainability Statement. Central to our governance is a structured Stakeholder Engagement Table, which outlines how we communicate with and listen to our partners, employees, and investors. During this IFRS transition period, we have enhanced our engagement channels to ensure that feedback directly informs our risk management processes. We invite all stakeholders to review our targets and provide feedback to help shape our future sustainability journey.	
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	:	The Board actively monitors the Company’s transition toward Net Zero Carbon Emissions by 2050, ensuring a strategic understanding of climate-related physical and transition risks. This oversight has driven the Company’s commitment to resource circularity and operational efficiency, including comprehensive programs for waste and water management, energy-efficient consumption, and "Reduce, Reuse, Recycle (“3R”) initiatives. To remain abreast of evolving sustainability standards, the Board integrates these environmental performance metrics into its strategic reviews, ensuring that the Company’s business model remains resilient in a low-carbon economy.	
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	:	The Company is currently enhancing its performance evaluation tools to explicitly include the Board and Senior Management’s role in managing material sustainability matters. Taking into account regulatory requirements and stakeholder expectations, this assessment will measure leadership’s success in driving the Company’s ESG strategy. This initiative ensures that our governance structure remains compliant with emerging International Sustainability Standards Board (“ISSB”) standards during this transition period, fostering a culture of accountability at the highest levels of the Company.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Adopted
Explanation on adoption of the practice	:	The Board has appointed an Executive Director within management for the planning and implementation of all sustainability related issues.

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 Nominating Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nominating 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	:	The Nominating Committee meets at least once a year to review, evaluate and assess the tenure, independence of the director and annual re-election of directors. In 2025, the Nominating Committee held three 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

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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<ul style="list-style-type: none"> • The Company does not fall within the definition of Large Companies. The Company complies with Paragraph 15.02 of the Listing Requirements which requires that at least two (2) directors or one-third (1/3) of the board of directors of the Company, whichever is the higher, are independent directors. • The Board is cognizance that the current composition is not align with the desired practice of at least half to compromise independent directors. • Despite the above, the Board has considered and put its effort in seeking for suitable caliber candidates as independent directors of the Company through our associate company who is a member of an institute of directors, to make up a majority of independent directors in the Board members as recommended under the Code. • In regards to potential conflicts of interest, the Board believes that there is no undue risk involved as all related party transactions are disclosed and strictly dealt with in accordance with Listing Requirements. • Hence, the lack of at least half of independent directors on Board did not jeopardise independence of Board deliberations and all decision making were made in the best interest of the Company.
<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

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	:	None of the Independent Non-Executive Directors have served on the Board for more than nine years.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.

Application	:	Not Adopted
Explanation on adoption of the practice	:	<ul style="list-style-type: none">• Currently, the Board do not have a policy which limits the tenure of its independent directors to nine years. As it is rather challenging to find suitable and caliber candidate which is comparable with the current composition mix of skills, knowledge and experience.• The Nominating Committee will review and assess Independent Directors who served more than nine years annually before tabling to the Board for approval.• However, the Board recognises the importance of the said policy and would consider to set up a policy to limit the tenure of its independent directors to nine years.

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	:	<ul style="list-style-type: none"> • A Fit and Proper Policy has been established for the appointment and re-election of directors. • The Board is well balanced with wide range of business and financial experience. Each year the Board reviews and evaluates the performance of each director and arranges suitable training where appropriate. • To ensure the effectiveness of the Board, the Board has carried out an annual Self and Peer Evaluation Assessment to determine the Board members has the necessary skills and experience and competency in carrying out their tasks. 	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Nominating Committee which is responsible for identifying and recommending suitable candidates for the Board do have the liberty to rely on external sources for candidates to be recommended to the Board.</p> <ul style="list-style-type: none">• During the financial year 2025, Madam Tan Hwa Lian was appointed to the Board as Executive Director (“ED”) on 8 May 2025, while Mr. Lim Kuan was appointed as Independent Non-Executive Director (“INED”) on 10 July 2025.• The Nominating Committee and the Board of Directors have conducted evaluations and assessments on Madam Tan Hwa Lian and Mr. Lim Kuan and concluded that they possess the requisite qualifications, experience and competencies to serve as the ED and INED of the Board. Accordingly, they will seek for re-election at the forthcoming Annual General Meeting in accordance with Clause 82 of the Company’s Constitution.
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	:	The details of the Directors interest, position and experience are set out in the Directors' profile in the Annual Report. The performance of the retiring directors is assessed by the Nominating Committee and Board before recommendation is made to the shareholders for consideration. For independent directors, the Nominating Committee also assess their relationship with the executives that might influence or reasonably be perceived to influence their capacity to bring an independent judgement and to act in the best interests of the listed company as a whole.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The Nominating Committee is chaired by Mr. Lim Beng Weh who is an Independent Director.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for Departure	:	<p>During the financial year 2025, an additional woman director, Madam Tan Hwa Lian, was appointed to the Board on 8 May 2025. Currently, the Board comprises two (2) women directors. In addition, two (2) out of three (3) members of the Group's senior management are female.</p> <p>The Board is putting its efforts in getting other suitable women who could meet the objective criteria, merit and with due regard for diversity in skills, experience, age and cultural background to join the Board.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>The Board notwithstanding the view that diversity should be in tandem with expertise, experience and skills and not gender alone acknowledges the importance of the establishment of a gender diversity policy.</p> <p>The Board will consider to have a diversity policy in place.</p>	
<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 has carried out an annual Self and Peer Evaluation Assessment to determine the Board members has necessary skills and experience and competency in carrying out their tasks. Interested director is abstained from discussion.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<ul style="list-style-type: none"> • The Board of Directors (“Board”) has in place the policies and procedures to determine the remuneration for Directors and Senior Management which is reviewed from time to time. • The Board has delegated to the Remuneration Committee (“RC”) the responsibility to establish the principles, parameters and governance framework relating to the Company’s remuneration matters. • The RC review the remuneration of the Board and Senior Management from time to time with a view to ensure that the Company offers fair compensation and is able to attract and retain talent who can add value to the Company. • The Non-Executive Directors are paid an annual fixed fee for serving on the Board, which is determined by the Board of Directors as a whole. • The directors’ remuneration was approved by the shareholders. • The remuneration structure of the Executive Directors and Non-Executive Directors are disclosed under the Corporate Governance Overview Statement in the Company’s Annual Report.
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	:	

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.

Timeframe	:		
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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	:	The terms of reference of the Remuneration Committee is available at the Company's website https://qcebhd.com.my .
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	:	Detailed disclosure on named basis for the remuneration of individual directors is in the Company's Annual Report. The remuneration breakdown of individual directors includes fees, salary, allowance, benefits in-kind and other emoluments.

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	:	Applied – the company discloses the remuneration of members senior management who are not members of the board											
Explanation on application of the practice	:	<p>In line with best corporate governance practice, the disclosure of the three (3) senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.00 for the year 2025 on a named basis are as below:-</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: right;">Range of Remuneration</th> </tr> <tr> <th></th> <th style="text-align: right;">Group and Company</th> </tr> </thead> <tbody> <tr> <td>Teoh Hooi Nie</td> <td style="text-align: right;">RM100,001 - RM150,000</td> </tr> <tr> <td>Tan Poh Lian</td> <td style="text-align: right;">RM50,001 -RM100,000</td> </tr> <tr> <td>Christopher Koh Beng Tee</td> <td style="text-align: right;">RM50,001 - RM100,000</td> </tr> </tbody> </table>			Range of Remuneration		Group and Company	Teoh Hooi Nie	RM100,001 - RM150,000	Tan Poh Lian	RM50,001 -RM100,000	Christopher Koh Beng Tee	RM50,001 - RM100,000
	Range of Remuneration												
	Group and Company												
Teoh Hooi Nie	RM100,001 - RM150,000												
Tan Poh Lian	RM50,001 -RM100,000												
Christopher Koh Beng Tee	RM50,001 - RM100,000												
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	:												

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	:	The Management does not comply with the recommendation to disclose on a named basis the senior management's remuneration in order to preserve confidentiality and it would be detrimental to the Group as this will facilitate opportunities for competitors to pinch the Company's top senior management.

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

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.

The company's financial statement is a reliable source of information.

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the Audit Committee, Mr. Ling Chee Min, is not the Chairman of the Board.	
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	:	None of the members of the Board were former key audit partners.	
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	:	In assessing the independence of the external auditors, the Audit Committee will take into consideration a few factors, including the experience and tenure of the external auditors, the nature and level of the services provided, and the effectiveness of the audit process.
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 Audit Committee of the Board comprises of three Independent Non-Executive Directors and has full access to both the internal and external auditors.

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	:	The qualification and experience of individual Audit Committee members are disclosed in the Board of Directors' Profile in the Annual Report. All of them are qualified to discharge their duties in accordance with the Terms of Reference of the Audit Committee. The training courses attended by the Audit Committee members are stated in the Annual Report.
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 10.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board is committed to maintain a sound system of internal control and effective risk management system, in order to achieve its objectives of profitability and sustainable growth.</p> <p>The Board regularly reviews the effectiveness and adequacy of the risk management and internal control processes.</p> <p>A clearly defined organisational structure and the policies and procedures for the processes has been established and documented in the Group accounting and control manuals, and are updated from time to time.</p> <p>The Audit Committee meets at least once every quarter and holds discussions with the management on the action taken on internal control issues prepared by the internal auditors.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Statement on Risk Management and Internal Control is disclosed in the Annual Report.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	<ul style="list-style-type: none">• The Board did not establish a Risk Management Committee as the Executive Directors and the Management team meet from time to time to discuss the business operation and potential risk.

Intended Outcome

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

Practice 11.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The internal audit function of the Company was outsourced to Sterling Business Alignment Consulting Sdn Bhd (“Sterling”), a professional internal audit services company ("Internal Auditors") to perform regular reviews of the business processes to assess the effectiveness of the internal control system and to highlight significant risks impacting the Group and made recommendations for improvement.</p> <p>To ensure that the Internal Auditors discharged their responsibilities accordingly, the Audit Committee reviews the internal audit plan, the audit process and the results of the internal audit review.</p> <p>Audit Committee and Internal Auditors will ensure that corrective actions were implemented appropriately.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>The internal audit function of the Company was outsourced to Sterling Business Alignment Consulting Sdn Bhd (“Sterling”), a professional internal audit services company. Sterling is free from any relationship or conflict of interest, which could impair their objectivity and independence. Sterling is a corporate member of the Institute of Internal Auditors Malaysia (“IIAM”).</p> <p>The number of resources deployed for each internal audit review ranges from 3 to 4 persons. The internal audit team is led by:</p> <p>Mr Cheng Chean, a Chartered Member of the Institute of Internal Auditors Malaysia (“CMIIA”) and a Fellow Member of the Chartered Certified Accountant (“FCCA”). Mr Cheng has 24 years of hands-on experience in the fields of External Audit, Internal Audit and Internal Control Review.</p> <p>The Internal Auditor team applied the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) Internal Control – Integrated Framework as a basis for evaluating the effectiveness of the internal control systems and conducting the internal audit assessment in accordance with the International Professional Practices Framework.</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 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board ensures there is effective, transparent and regular communication with shareholders on Company's operations, governance and performance of the Group via the General Meetings, Bursa announcements, Annual Reports and Circulars, and through the Company's website.</p> <p>The Board ensures that shareholders are given sufficient notice and time to consider the resolutions that will be discussed and decided at the General Meetings.</p> <p>The Board also takes proactive measures to ensure that shareholders are able to participate at General Meetings and to communicate their views and exercise their right to vote at the General Meetings.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company does not fall within the definition of large companies. The Group's sustainability principles focuses on Environment, Social and Governance areas, as disclosed in the Sustainability Statement.	
		Environmental, Social, and Governance	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	Notice of the general meeting is given 28 days prior to the meeting.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.2

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

Application	:	Applied	
Explanation on application of the practice	:	All members of the Board including the Chairman of the Audit Committee, the Chairman of both the Nominating Committee and Remuneration Committee, and the External Auditors of the Company have given their assurance and are committed to attend General Meetings of the Company.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Annual General Meetings are all the times held in Kuala Lumpur, which is easily accessible to most shareholders of the Company.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application :	Applied
Explanation on application of the practice :	The Annual General Meetings are held in Kuala Lumpur, which is easily accessible to most shareholders of the Company.
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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	: Applied
Explanation on application of the practice	: The minutes of the AGM are published on the Company's website within 30 days from the date 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	:

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 Guideline.