

# Corporate Governance Overview Statement

## INTRODUCTION

The Board of Directors ("**the Board**") of ECA Integrated Solution Berhad ("**the Company**") recognises the importance of corporate governance and is committed to ensuring that the principles and best practices in corporate governance as set out in the Malaysian Code on Corporate Governance ("**MCCG**") are observed and practised throughout the Company and its subsidiaries (collectively referred to as "**the Group**") so that the affairs of the Group are conducted with integrity and professionalism with the objective of safeguarding shareholders' investment and ultimately enhancing shareholders' value.

This statement is prepared in compliance with ACE Market Listing Requirements ("**AMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and it is meant to be read together with the Corporate Governance Statement and Corporate Governance Report. The Corporate Governance Report provides details on how the Company has applied each practice as set out in the MCCG for the financial year ended 31 October 2025 ("**FYE2025**"), a copy of which is available on the Company's website.

This statement further outlines the following principles and recommendations which the Group has comprehended and applied with the best practices outlined in MCCG and the Board will continue to take measures to improve compliance with principles and recommended best practices in the ensuing years:

- Board Leadership and Effectiveness
- Effective Audit and Risk Management
- Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### I. BOARD RESPONSIBILITIES

The Board has considered and discussed a wide range of matters during the FYE2025, including strategic decisions and reviewing of risk associated matters in the business. The Board is aware that decisions made for the business of the Group would affect a broad range of our stakeholders. While the Board seeks to ensure that the decisions were taken in a way that was fair and consistent with the Group's values, the Board also recognised the importance of balancing these with the need to support the long-term future of the business.

In order to ensure orderly and effective discharge of the above functions and responsibilities of the Board, the Board has established various committees where specific powers of the Board are delegated to the relevant Board Committees.

The Board has a formal schedule of matters reserved for deliberation as set out below, to ensure good governance is in place for the Group:

- a) Conflict of interest issues relating to a substantial shareholder or a Director including approving related party transactions
- b) Material acquisition and disposition of assets not in the ordinary course of business including significant capital expenditures
- c) Strategic investments, mergers and acquisitions and corporate exercises
- d) Authority levels
- e) Treasury policies
- f) Risk management policies
- g) Key human resource issues

# Corporate Governance Overview Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### II. BOARD COMPOSITION

The Board recognises the benefits of having a diverse Board to ensure that the mix and profiles of the Board members in terms of age, ethnicity and gender to provide the necessary range of perspectives, experience and expertise required to achieve effective stewardship and management. The Board believes that a truly diverse and inclusive Board will leverage on different thought, perspective, cultural and geographical background, age, ethnicity and gender which will ensure that the Group has a competitive advantage.

In evaluating the suitability of individual Board members, the Nomination and Remuneration Committee ("**NRC**") takes into account several factors, including skills, knowledge, expertise, experience, professionalism and time commitment to effectively discharge his or her role as a Director, contribution and performance, background, character, integrity and competence. In the case of candidates for the position of Independent Non-Executive Directors, the NRC will evaluate the candidates' ability to discharge their responsibilities and should bring in their independent judgement, provide constructive challenge, strategic guidance, offer specialist advice and impartiality.

The Board currently has three (3) female Directors, representing 42.9% of the total Board members. With the current composition, the Board feels that its members have the necessary knowledge, experience, diverse range of skills and competence to enable them to discharge their duties and responsibilities effectively.

### III. REMUNERATION

The Board has in place internal remuneration policy which is clear and transparent, designed to support and drive business strategy and long-term objectives of the Group. The responsibilities for developing the remuneration policy and determining the remuneration packages of Executive Directors and senior management lies with the NRC. Nevertheless, it is ultimately the responsibility of the Board to approve the remuneration of Executive Directors and senior management.

The Board carries out a remuneration review for its employees including that of senior management, with the view to ensure that the Group continues to retain and attract the best talents in the industry. The proposed salary structure was considered by the NRC and subsequently approved by the Board for implementation.

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### I. AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee ("**ARMC**") plays a key role in ensuring integrity and transparency of corporate reporting. The ARMC's role is to review and challenge management to ensure that appropriate disclosures of accounting treatment and accounting policies are made. The ARMC has a duty to provide assurance to the Board that robust risk management, controls and assurance process are in place. The ARMC continues to monitor the potential risks of the Group and ensures that mitigating factors are in place to safeguard its health, safety and business continuity.

Annually, the composition of the ARMC is reviewed by the NRC and recommended to the Board for their continuation. With the view to maintain an independent and effective ARMC, the NRC ensures that only Independent Non-Executive Directors who have the appropriate level of expertise, experience and understanding of the Group's business segment would be considered for membership on the ARMC.

### II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Risk Management is a critical component of good management practice and effective corporate governance. With the Risk Management Framework being in place, the Board's decision-making is supported by sufficient information for the right discussions and considerations. The enhanced level of risk debate and greater involvement from management are also critical in ensuring that appropriate monitoring and mitigations are embedded to support the proposals under discussion.

The Board will continue to drive a proactive risk management culture and ensure that the Group's employees have a good understanding and application of risk management principles towards cultivating a sustainable risk management culture. The Board will also continue to challenge the Group's risk reporting mechanism and ensure that it is data-driven to capture and quantify exposures where applicable and necessary.

# Corporate Governance Overview Statement

## PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

### I. COMMUNICATION WITH STAKEHOLDERS

The Group recognises the importance of stakeholder engagement leading to the long-term sustainability of its businesses. As a responsible corporate citizen, the Group must interact with stakeholders and also acknowledge the potential impact that its operations may have on a wide range of stakeholders. For engagement to be constructive and meaningful, each matter considered by the Board therefore has to be in the context of relevant economic, social and environmental factors. The Company has heightened its engagement efforts with stakeholders by engaging discussions with analysts, fund managers and shareholders, both locally and overseas, upon requests.

The Company has yet to adopt an integrated reporting framework. The Board acknowledged that integrated reporting goes beyond a mere combination of our financial statements and sustainability report into a single document. Nevertheless, there are coordinated efforts among cross-functional departments in preparing the various statements and reports in the Annual Report.

### II. CONDUCT OF GENERAL MEETINGS

The Company's Annual General Meeting ("**AGM**") is an important means of communicating with its shareholders. To ensure effective participation of an engagement with the shareholders at the AGM of the Company, all members of the Board would be present at the meeting to respond to questions raised by shareholders and proxies. In addition, the Chairman of the Board would chair the AGM in an orderly manner and encourage the shareholders and proxies to speak at the meeting. The overall performance of the Group would be presented at the meeting.

In line with good governance practices, the notice of the AGM would be issued at least twenty-eight (28) days before the AGM. In line with Bursa Securities' AMLR, the Company has implemented and will continue to implement poll voting for all proposed resolutions set out in the notice of any general meeting. An independent scrutineer will also be appointed to validate the votes cast at any general meeting of the Company.

## PRELUDE

Over the next few pages, we would look at the Board, its role, performance and oversight. We will provide details on the Board's activities and discussions during the financial year, the actions arising from these and the progress made against them. We also provide an insight on director independence effectiveness and our Board evaluation, succession planning and induction and ongoing developments.

# Corporate Governance Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### I. Board Responsibilities

#### 1. Board of Directors'

ECA Integrated Solution Berhad ("**the Company**") and its subsidiaries (collectively referred to as "**the Group**") acknowledge the pivotal role played by the Board of Directors ("**the Board**") in the stewardship of its directions and operations, and ultimately the enhancement of long-term shareholders' value. To fulfil this role, the Board plays a critical role in setting the appropriate tone at the top and is charged with leading and managing the Group in an effective, good governance and ethical manner. The directors individually have a legal duty to act in the best interest of the Group and are also collectively aware of their responsibilities to the stakeholders for the manner in which the affairs of the Group are managed. The Board's responsibilities, amongst others include the following:

- a) reviewing and approving the overall strategic plans and direction of the Company including updating regularly and monitoring management's performance in its implementation;
- b) overseeing and evaluating the conduct and performance of the Company;
- c) identifying the Company's principal risks and establishing, reviewing, monitoring and ensuring implementation of a proper risk management system, policies, processes and infrastructure;
- d) establishing procedures to identify, assess, evaluate and approve any related party transactions or conflict of interest situations that may arise within the Company;
- e) establishing internal control systems and corporate governance practices to be in compliance with the Malaysian Code on Corporate Governance ("**MCCG**");
- f) establishing a succession plan and considering emerging issues which may be material to the business and affairs of the Company;
- g) reviewing and approving the financial reports as required by Bursa Malaysia Securities Berhad ("**Bursa Securities**") and Audit and Risk Management Committee report at the end of each financial year;
- h) overseeing the development and implementation of a shareholder communication policy for the Company to ensure appropriate disclosure and effective communication are delivered on a timely manner; and
- i) reviewing the adequacy and the integrity of the management information and internal controls system of the Company, including systems for compliance with applicable laws and regulations, accounting standards and guidelines such as ACE Market Listing Requirements ("**AMLR**") of Bursa Securities, Capital Market and Services Act 2007 and the Companies Act 2016.

To assist in the discharge of its responsibilities, the Board has established the following Board Committees to perform certain of its functions and to provide recommendations and advice:

- a) Nomination and Remuneration Committee ("**NRC**")
- b) Audit and Risk Management Committee ("**ARMC**")

Each Board Committee operates within their approved terms of reference set by the Board which are periodically reviewed. The Board appoints the Chairman and members of each Board Committee.

The Chairman of the respective Board Committees will report to the Board on the outcome of any discussions and make recommendations thereon to the Board. The ultimate responsibility for the final decision on all matters, however, lies with the Board.

The Board may form other committees delegated with specific authorities to act on their behalf. These committees will operate under approved terms of reference or guidelines and are formed whenever required.

Board meeting agenda includes statutory matters, governance and management reports, which include strategic risks, strategic projects and operational items. The Board approves an annual performance contract setting the priorities director and performance targets for the Group within the parameters of the corporate plan.

The profile of each Director is presented in the Annual Report of the Company.

# Corporate Governance Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### I. Board Responsibilities (Cont'd)

#### 2. Separation of Position of the Chairman and Chief Executive Officer

The Board has established clear roles and responsibilities in discharging its fiduciary and leadership functions. The roles of the Chairman and the Chief Executive Officer (“CEO”) of the Company are separately held by different individuals, and each has clearly accepted division of responsibilities and accountability to ensure a balance of power and authority. This segregation of roles also facilitates a healthy, open exchange of views between the Board and management in their deliberation of the business, strategic aims and key activities of the Company.

The Chairman of the Board, Tan Sri Abdul Rahman bin Mamat, an Independent Non-Executive Chairman leads the Board with focus on governance and compliance and acts as a facilitator at Board meetings to ensure that relevant reviews and contributions from Directors are forthcoming on matters being deliberated and that no Board member dominates the discussion.

The CEO, namely Mr. Ooi Chin Siew oversees the day-to-day operations to ensure smooth and effective operation of the Group. The CEO implements the policies, strategies, decisions adopted by the Board, monitors the operating financial results against plans and budgets and acts as a conduit between the Board and management in ensuring the success of the Group’s governance and management functions.

During Board meetings, the Chairman maintains a collaborative atmosphere and ensures that all Directors contribute to the discussion. The Chairman and CEO arrange informal meetings and events from time to time to build constructive relationships between the Board members.

The CEO takes on primary responsibility to spearhead and manage the overall business activities of the various business divisions of the Group to ensure optimum utilisation of corporate resources and expertise by all the business divisions and at the same time achieve the Group’s long-term objectives. The CEO is assisted by the heads of each division in implementing and running the Group’s day-to-day business.

In line with the recommendation of the MCCG, the Chairman of the Board is not a member of the ARMC and NRC.

#### 3. Supply of and Access to Information

The Board has unrestricted access to the advice and services of the Company Secretary who are suitably qualified and competent to support the Board. The Company Secretary is responsible for providing support and guidance to the Board on policies and procedures, rules and regulations and relevant laws in regard to the Company as well as the best practices on governance.

In addition, all Directors have full and unrestricted access to all information pertaining to the Group’s businesses and affairs in a timely manner to enable them to discharge their duties effectively.

Procedures have been established for timely dissemination of Board and Board Committee papers to all Directors and Board Committees in advance of the scheduled meetings. Notices of meetings are sent to Directors at least seven (7) days before the meetings. Management provides the Board with detailed meeting materials at least seven (7) days in advance of the Board or Board Committees’ meetings. This is to allow sufficient time for the Directors to review, consider and deliberate knowledgeably on the issues and, where necessary, to obtain further information and explanations to facilitate informed decision-making. Senior management may be invited to join the meetings to brief the Board and Board Committees on the requisite information, provide additional insights and explanations on matters being discussed, where necessary.

Technology is effectively used in the meetings of Board and Board Committees and in communication with the Board, where the Directors may receive agenda and meeting materials online and participate in meetings via audio or video conferencing.

# Corporate Governance Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### I. Board Responsibilities (Cont'd)

#### 4. Commitment of the Board

The Board recognises that it is necessary for all Directors to allocate sufficient time to effectively discharge their duties. This includes attending meetings, being able to review Board papers prior to meetings and providing constructive viewpoints.

The dates of the meetings of the Board and Board Committees for each financial year are fixed in advance for the whole year to ensure all Directors/Board Committees members' dates are booked and to facilitate Management's planning for the whole financial year.

Formal Board meetings are held at least once every quarter to oversee the business affairs of the Group, and to approve, if applicable, any financial or business objectives and strategies. Ad-hoc meetings are convened when circumstances require. The Chairman of the respective Board Committees report to the Board on key issues deliberated at the respective Board Committees meetings and make recommendations to the Board for decision, where necessary.

All pertinent issues discussed at the Board meetings are properly recorded by the Company Secretary.

The following table outlines the attendance of the Board Members for Board meetings and Board Committee meetings held during financial year ended 31 October 2025 ("FYE2025"):

Directors	Number of meetings attended		
	NRC	ARMC	Board
Tan Sri Abd Rahman bin Mamat	N/A	N/A	5/5
Ooi Chin Siew	N/A	N/A	5/5
Chua Lye Hock	N/A	N/A	4/5
Dato' Dr. Shanmughanathan A/L Vellanthurai	1/1	5/5	5/5
Zariner binti Ismail	1/1	5/5	5/5
Masleena binti Zaid	1/1	5/5	5/5
Mary Low Shwee Hoon*	N/A	N/A	1/1

Note:

\* Appointed as Non-Independent Non-Executive Director on 17 September 2025.

All Directors have complied with the minimum 50% attendance requirement in respect of Board meetings. The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities in FYE2025 which is evidenced by the satisfactory attendance record of the Directors at each Board meeting.

It is the Board's policy for Directors to notify the Board before accepting any new directorship notwithstanding that the AMLR of Bursa Securities allow a Director to sit on the board of a maximum of five (5) listed issuers. Such notification is expected to include an indication of time that will be spent on the new appointment. At present, all Directors of the Company have complied with the AMLR where they do not sit on the board of more than five (5) listed issuers.

# Corporate Governance Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### I. Board Responsibilities (Cont'd)

#### 5. Continuous Development of the Board

The Board, via the NRC, continues to review and assess the training needs of each Director should he/she require specific training for personal development or keep abreast of changes in legislations and regulations affecting the Group.

The Directors are mindful that they would continue to enhance their skills and knowledge to maximise their effectiveness as Directors during their tenure. During the financial year under review, the Board has attended individually or collectively seminar(s), conference(s) and/or training(s) to continuously upgrade their skills and to keep abreast with current developments.

Over the course of FYE2025, the Directors had either collective or individually attended the following conferences, seminars and training programmes:

- Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
- AI Prompt Masterclass by Howling Wolf Digital Media
- Taxing Matters: A legal perspective
- Accounting for Tangible and Intangible Asset
- Navigating Risks and Crisis: Is your Board prepared for the Unexpected?
- Bursa Requirements on Governance, Risk Management and Sustainability
- Interpreting Financial Statements – Incorporating Revised Accounting Standards
- Managing Corruption Risks – Corruption Risk Assessment Awareness
- E-Invoice Session with Messrs Ernst & Young
- E-invoice session with Messrs Ernst & Young (2nd session)
- TH Group Summit 2025: Empowering Growth with AI: A Vision for the Future of my Company
- The Future of Technology & Innovation: Why IP Matters in ICT & AI
- Governance of Generative AI
- Engagement Session with FIDE FORUM Members on Bank Negara Malaysia Annual Report 2024, Economic and Monetary Review 2024 and Financial Stability Review for Second Half 2024
- Navigating High-Tech Financial Crime: Key Risks and Board Responsibilities
- CPR (Cardiopulmonary Resuscitation) / AED (Automated External Defibrillator) Training for Board
- The Influence of Board Culture on Corporate Performance
- International Energy Week Summit 2025: From Sarawak to the World: Journey to Clean Energy Leadership
- Exclusive Invitation: IMD Malaysia Masterclass on Competitiveness & Strategy
- Strategic Shift in Financial Institutions – Focus on SMEs and Islamic Banking
- CSR Day In Conjunction with MBSB's 75th Anniversary
- MBSB AgroESG – A Hands-On Guide for Agriculture SMEs
- Khazanah Megatrends Forum 2025
- TH Nominee Directors Training Programme 2025
  - Managing Conflict of Interest and Dual Roles: Upholding Integrity in the Boardroom
  - A Boardroom Simulation: Experiencing It Live
  - Boards at The Edge: Governing AI, Cyber Risk & Data Integrity
  - A Balancing Conundrum – Appointing Shareholders Interest or The Interest of the Organisation?
- IP Financing Training – Leveraging Intellectual Property for Financing
- ASEAN Business & Investment Summit (ABIS) 2025
- AI for Strategic Leadership Unlocking Operational Excellence

In addition, the Directors receive regular briefings and updates on the Group's businesses, operations, risk management activities, AMLR and relevant law updates. The Company Secretary also highlights the relevant guidelines on statutory and regulatory requirements from time to time to the Board.

# Corporate Governance Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### I. Board Responsibilities (Cont'd)

#### 6. Board Committees

##### **ARMC**

The ARMC monitors internal control policies and procedures designed to safeguard the Group's assets and to maintain the integrity of financial reporting. The ARMC maintains direct, unfettered access to the Company's external auditor, internal auditor and management.

The ARMC comprises of three (3) members, all of whom are Independent Non-Executive Directors. The present members of the ARMC are as follows:

Director	Designation
Puan Zariner binti Ismail	Chairperson
Dato' Dr. Shanmughanathan A/L Vellanthurai	Member
Puan Masleena binti Zaid	Member

A copy of the ARMC's Terms of Reference can be found in the Company's website at [www.eca.com.my](http://www.eca.com.my).

The activities undertaken by the ARMC during FYE2025 are spelt out in the ARMC's Report within this Annual Report.

##### **NRC**

The NRC comprises of three (3) members, all of whom are Independent Non-Executive Directors. The present members of the NRC are as follows:

Director	Designation
Dato' Dr. Shanmughanathan A/L Vellanthurai	Chairman
Puan Zariner binti Ismail	Member
Puan Masleena binti Zaid	Member

The NRC held one (1) meeting during FYE2025.

The activities undertaken by the NRC during FYE2025 in discharge of its duty included the following:

- (a) Reviewed the composition of the Board and Board Committees with regards to the mix of skills, independence and diversity in accordance with its policy.
- (b) Determined the Directors who stand for re-election by rotation.
- (c) Assessed the effectiveness and performance of the Board and its committees. This is carried out through a self-assessment document that is completed by each Director. The assessment criteria include the following:
  - Board composition
  - Board process
  - Performance of Board Committees
  - Information provided to the Board
  - Role of the Board in strategy and planning
  - Risk management framework
  - Accountability and standard of conduct of Directors.
- (d) Reviewed the term of office and performance of the ARMC and each of its members to ascertain that the ARMC and its members have carried out their duties in accordance with the ARMC's Terms of Reference.

# Corporate Governance Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### I. Board Responsibilities (Cont'd)

#### 6. Board Committees (Cont'd)

The activities undertaken by the NRC during FYE2025 in discharge of its duty included the following: (Cont'd)

- (e) Assessed and reviewed the independence and continuing independence of the Independent Directors.
- (f) Reviewed the Terms of Reference of the NRC.
- (g) Reviewed and recommended the remuneration packages of the Executive Directors and senior management.
- (h) Reviewed and recommended the payment of Directors' fee and any benefits payable to the Non-Executive Directors.
- (i) Reviewed the Fit and Proper Policy, Diversity Policy and Directors' and Senior Management Remuneration Policy.

All recommendations were reported by the Chairman of the NRC at the Board Meetings and approved by the Board.

A copy of the NRC's Terms of Reference is available at the Company's website at [www.eca.com.my](http://www.eca.com.my).

#### 7. Board Charter

The Company has established a Board Charter to promote high standards of corporate governance and the Board Charter is designed to provide guidance and clarity for Directors and management with regard to the role of the Board and its committees. The Board Charter clearly sets out the key values and principles of the Company and further sets out the duties and responsibilities of the Board, the Chairman, the CEO, Independent Directors, Senior Independent Director, Company Secretary and the Board Committees. The Board Charter also provides structure guidance and ethical standards for the Board in discharging their duties towards the Group as well as its operating practices. The Board Charter further entails the following issues and decisions reserved for the Board:

- (a) Conflict of interest issues relating to a substantial shareholder or a Director including approving related party transactions;
- (b) Material acquisitions and disposition of assets not in the ordinary course of business including significant capital expenditures;
- (c) Strategic investments, mergers and acquisitions and corporate exercises;
- (d) Authority levels;
- (e) Treasury policies;
- (f) Risk management policies; and
- (g) Key human resource issues.

The Board Charter is reviewed annually by the Board to ensure it complies with legislations and best practices, and remains effective and relevant to the Board's objectives.

A copy of the Board Charter can be found in the Company's website at [www.eca.com.my](http://www.eca.com.my).

#### 8. Code of Ethics and Conduct

The Company has established a Code of Ethics and Conduct which is also enshrined in the Board Charter to promote a corporate culture which engenders ethical conduct that permeates throughout the Group. The Code of Ethics is based on principles in relation to trust, integrity, responsibility, excellence, loyalty, commitment, dedication, discipline, diligence and professionalism. Where else the Code of Conduct is based on the principles in relation to integrity, transparency, accountability and corporate social responsibility.

The Board is focused on creating corporate culture which engenders ethical conduct that permeates throughout the Company. The Group practices the relevant principles and values in the Group's dealings with employees, customers, suppliers and business associates. The Directors, officers and employees of the Group are also required to observe, uphold and maintain high standards of integrity in carrying out their roles and responsibilities and to comply with the relevant laws and regulations as well as the Group's policies.

# Corporate Governance Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### I. Board Responsibilities (Cont'd)

#### 8. Code of Ethics and Conduct (Cont'd)

The Board is provided guidance through the Code of Ethics and Conduct on disclosure of conflict of interest and other disclosure information/requirements to ensure that the Directors comply with the relevant regulations and practices. In order to address and manage possible conflicts of interest that may arise between Directors' interests and those of the Group, the Company has put in place appropriate procedures including requiring such Directors to abstain from participating in deliberations during meetings and abstaining from voting on any matter in which they may also be interested or conflicted. The Directors of the Group are also required to disclose and confirm their directorships and shareholdings in the Group and any other entities where they have interests.

Notices on the closed period for trading in the Company's shares are sent to Directors, principal officers and the relevant employees on a quarterly basis specifying the timeframe during which they are prohibited from dealing in the Company's shares, unless they comply with the procedures for dealings during closed period as stipulated in the AMLR.

Details of the Code of Ethics and Conduct can be found in the Company's website at [www.eca.com.my](http://www.eca.com.my).

#### 9. Whistleblower Framework and Policy

The Company has adopted a Whistleblower Framework and Policy as the Board believes that a sound whistleblowing system will strengthen, support good management and at the same time, demonstrate accountability, good risk management and sound corporate governance practices. The policy is to encourage reporting of any major concerns over any wrongdoings within the Group.

The policy outlines the relevant procedures such as when, how and to whom a concern may be properly raised about the genuinely suspected or instances of wrongdoing at the Company and its subsidiaries. The identity of the whistleblower is kept confidential and protection is accorded to the whistleblower against any form of reprisal or retaliation. All such concerns shall be set forth in writing and forwarded in a sealed envelope to either the CEO or the Chairperson of the ARMC.

Full details of the Whistleblower Framework and Policy can be found in the Company's website at [www.eca.com.my](http://www.eca.com.my).

#### 10. Company Secretary

The Board is assisted by a qualified and competent Company Secretary who plays a vital role in advising the Board in relation to the Group's constitution, policies, procedures and compliance with the relevant regulatory requirements, codes, guidance and legislations. All the Directors have unrestricted access to the advice and services of the Company Secretary for the purpose of the conduct of the Board's affairs and the business.

The Company Secretary constantly keeps himself abreast of the evolving capital market environment, regulatory changes and developments in corporate governance through attendance at relevant conferences and training programmes. The Company Secretary has also attended the relevant continuous professional development programmes as required by the Companies Commission of Malaysia or the Malaysian Institute of Chartered Secretaries and Administrators for practising company secretary. The Board is satisfied with the performance and support rendered by the Company Secretary in discharging its functions.

In addition, the Company Secretary is also accountable to the Board and is responsible for the following:

- Provide unhindered advice and services for the Directors, as and when the need arises.
- Enhance the effective functioning of the Board.
- Ensure regulatory compliance.
- Preparing agendas and coordinating the preparation of the Board papers in a timely and effective manner.
- Ensure that the Board procedures and applicable rules are observed.

# Corporate Governance Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### I. Board Responsibilities (Cont'd)

#### 10. Company Secretary (Cont'd)

In addition, the Company Secretary is also accountable to the Board and is responsible for the following: (Cont'd)

- Maintaining records of the Board and ensure effective management of organisation's records.
- Preparing comprehensive minutes to document Board proceedings and ensure conclusions are accurately recorded.
- Assisting the communications between the Board and management.
- Providing full access and services to the Board and carrying out other functions deemed appropriate by the Board from time to time.

### II. Board Composition

#### 1. Composition and Diversity

The Directors are of the opinion that the current Board size and composition is adequate for facilitating effective decision making given the scope and nature of the Group's businesses and operations. The Board maintains an appropriate balance of expertise, skills and attributes among the Directors which is reflected in the diversity of backgrounds and competencies of the Directors. Such competencies include finance, accounting, legal, digital and other relevant industry knowledge, entrepreneurial and management experience and familiarity with regulatory requirements and risk management.

The NRC ensures that the composition of the Board is refreshed periodically while the tenure, performance and contribution of each Director is assessed by the NRC through the Board Evaluation. In addition, each of the retiring Directors will provide their annual declaration/confirmation on their fitness and propriety as well as independence, where applicable.

As at the date of this Statement, the Board consists of one (1) Independent Non-Executive Chairman, three (3) Independent Non-Executive Directors, two (2) Executive Directors and one (1) Non-Independent Non-Executive Director, wherein at least half of the Board comprises Independent Directors. The composition of the Board ensures that the Independent Non-Executive Directors will be able to exercise independent judgment on the affairs of the Company.

The Board's profile can be found in the Annual Report of the Company.

#### 2. Independency of Independent Directors

The Independent Directors play a crucial role in corporate accountability and provide unbiased views and impartiality to the Board's deliberations and decision-making process. In addition, the Independent Directors ensure that matters and issues brought to the Board are given due consideration, fully discussed and examined, taking into account the interest of all stakeholders. The Board, via the NRC assesses each Director's independence to ensure on-going compliance with this requirement annually. The NRC is satisfied that the Independent Directors are independent of management and free from any business or other relationships which could interfere with the exercise of independent judgement, objectivity and the ability to act in the best interest of the Company.

As at the date of this statement, none of the Independent Directors has exceeded a cumulative term of nine (9) years. As part of good governance practices, the Board Charter of the Company limits the tenure of Independent Directors to a cumulative term of nine (9) years. Upon completion of a cumulative term of nine (9) years, the Board would justify and seek annual shareholders' approval to retain the Independent Directors after the ninth (9th) year through a two-tier voting process.

# Corporate Governance Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### II. Board Composition (Cont'd)

#### 3. Appointment of Board and Senior Management

The Board comprise of a collective of individuals having an extensive complementary knowledge and competencies, as well as expertise to make an active, informed and positive contribution to the management of the Group in terms of the business' strategic direction and development. The appointment of the Board and its senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

The NRC will assess the suitability and the fitness and propriety of the candidates based on criteria set out in the Fit and Proper Policy before formally considering and recommending them for appointment to the Board or senior management. In proposing its recommendation, the NRC will consider and evaluate the candidates' required skills, knowledge, expertise, competence, experience, characteristics, professionalism. For appointment of Independent Directors, considerations will also be given on whether the candidates meet the requirements for independence as defined in AMLR of Bursa Securities and time commitment expected from them to attend to matters of the Company in general, including attending meetings of the Board, Board Committees and Annual General Meeting ("AGM") of the Company.

#### 4. Gender Diversity

While the Board acknowledges the need to promote gender diversity within its composition and endeavour to increase female participation in the Board and senior management, it has decided not to set any specific targets as the Board believes that it is more important to have the right mix of skills for such positions.

For the FYE2025, the Board comprises of three (3) women Directors, representing approximately 42.9% of the total numbers of the Board which is in line with the MCCG of at least 30% representation of women on Board. In addition, the Board composition is in compliance with Rule 15.02(1)(b) of AMLR, whereby a listed corporation must ensure that at least one (1) Director of the listed corporation is a woman.

The Board is of the view that the Directors have the necessary range of skills, knowledge and experience in key areas to direct the Group. The Board also believes that its composition represents an adequate balance of Executive and Non-Executive Directors to safeguard shareholders' interests and facilitate effective decision-making.

During the year, the Company has adopted a Diversity Policy which outlines its approach to achieving and maintaining diversity (including gender diversity) on its Board and senior management positions. This includes requirements for the Board to monitor the implementation of the policy, assess the effectiveness of the Board nomination process and the appointment process for management positions in achieving the objectives of the policy.

#### 5. Identifying Suitable Candidates

The NRC is responsible for recommending to the Board the remuneration principles and the framework for members of the Board and senior management. This provides the NRC with relevant information of the Group's needs, allowing them to source for suitable candidates when the need arises. Any proposed appointment of a new Member to the Board will be deliberated by the full Board based upon a formal report, prepared by the NRC on the necessity for reviewing the fit and proper, qualifications and experience of the proposed director. The NRC would be guided by an internal policy on Criteria and Skill Sets for the Board Members in assessing the suitability of the potential candidates for appointment to the Board.

#### 6. Chairman of the NRC

The NRC was led by Dato' Dr. Shanmughanathan A/L Vellanthurai, the Independent Non-Executive Director, who directs the NRC for succession planning and appointment of Board members and senior management by conducting annual review of board effectiveness and skill assessments.

# Corporate Governance Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### II. Board Composition (Cont'd)

#### 7. Annual Evaluation

The NRC is responsible in evaluating performance and effectiveness of the entire Board, the Board Committees and individual Director on a yearly basis. The evaluation process is led by the NRC Chairman and supported by the Company Secretary via questionnaires. The NRC reviews the outcome of the evaluation and recommends to the Board on areas for continuous improvement and also for them to form the basis of recommending relevant Directors for re-election at the AGM of the Company.

The assessment criteria used in the assessment of Board and individual Directors include a mix of skills, knowledge, Board diversity, size and experience of the Board, core competencies and contributions of each Director. The Board Committees were assessed based on their roles and responsibilities, scope and knowledge, frequency and length of meetings, supply of sufficient and timely information to the Board and also overall effectiveness and efficiency in discharging their function.

The Board evaluation comprises Performance Evaluation of the Board and various Board Committees, Directors' Peer Evaluation and Assessment of the independence of the Independent Directors. The assessment is based on four (4) main areas relating to Board Structure, Board Operations, Board and Chairman's roles and responsibilities and Board Committees' role and responsibilities.

For Directors' Peer Evaluation, the assessment criteria include abilities and competencies, calibre and personality, technical knowledge, objectivity and the level of participation at Board and Committee meetings including his/her contribution to Board processes.

Any appointment of a new Director to the Board or Board Committee is recommended by the NRC for consideration and approval by the Board. In accordance with the Company's Constitution, one-third (1/3) of the Directors for the time being shall retire from office at each AGM. A retiring director shall be eligible for re-election. The Constitution also provides that all directors shall retire at least once every three (3) years.

During the year, the Board conducted an internally facilitated Board assessment. The results and recommendations from the evaluation of the Board and Committees are reported to the Board for full consideration and action. The Board was comfortable with the outcome and that the skills and experience of the current Directors satisfy the requirements of the skills matrix and that the Chairman possesses the leadership to safeguard the stakeholders' interest and ensure the development of the Group.

The NRC also considered the results of the evaluation when considering the re-election of Directors and recommended to the Board for endorsement the Directors standing for re-election at forthcoming AGM of the Company.

### III. Remuneration

The objective of the Group's internal remuneration policy is to provide fair and competitive remuneration to its Board and senior management in order for the Company to attract and retain Board and senior management of calibre to run the Group successfully. The responsibilities for developing the remuneration policy and determining the remuneration packages of Executive Directors and senior management lie with the NRC. Nevertheless, it is ultimately the responsibility of the Board to approve the remuneration of Executive Directors and senior management.

Based on the remuneration framework, the remuneration packages for the Executive Directors and senior management compose of a fixed component (i.e. salary, allowance and etc.) and a variable component (i.e. bonus, benefit-in-kind and etc.) which is determined by the Group's overall financial performance in each financial year which is designed to support our strategy and provides a balance between motivating and challenging our senior managements to deliver our business priorities, as set out by the Executive Directors, and strong performance while also driving the long-term sustainable success of the Group.

# Corporate Governance Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### III. Remuneration (Cont'd)

The level of remuneration of Non-Executive Directors reflects their experience and level of responsibility undertaken by them. Non-Executive Directors will receive a fixed fee, with additional fees if they are members of Board Committees, with the Chairman of the ARMC or NRC receiving a higher fee in respect of his/her service as Chairman of the respective Committees. The fees for Directors are determined by the Board with the approval from shareholders at the AGM and no Director is involved in deciding his/her own remuneration.

The detailed disclosure on named basis for the remuneration of individual Directors that includes fees, salary, bonus, benefits in-kind and other emoluments from the Company and the Group for the FYE2025 are set out in the Corporate Governance Report. While the details of the remuneration of the senior management on an aggregate basis in bands of RM50,000 are as set out below.

Remuneration Bands	Number of Senior Management
RM450,001 – RM500,000	1
RM500,001 – RM550,000	1 <sup>#</sup>
RM650,001 – RM700,000	1 <sup>#</sup>

# Two of them are Executive Directors of the Company.

## PRINCIPLE B: EFFECTIVE ARMC

### I. ARMC

Presently, the ARMC consists of three (3) Independent Non-Executive Directors and all of them are financially literate and have sufficient understanding of the Group's business. All the members of the ARMC undertook continuous professional development to keep abreast of relevant developments in accounting and auditing standards, practices and rules.

The Chairperson of the ARMC is not the Chairman of the Board, ensuring that the impairment of objectivity on the Board's review of the ARMC's findings and recommendation remains intact.

The ARMC has adopted a Terms of Reference which sets out its goals, objectives, duties, responsibilities and criteria on the composition of the ARMC which includes a former key audit partner of the Group to observe a cooling-off period of at least three (3) years before being able to be appointed as a member of the ARMC. For the FYE2025, no former key audit partner of the Company's Auditors is appointed as a member of ARMC.

In presenting the annual audited financial statements and interim financial statements on a quarterly basis to the shareholders, the Board is responsible to present a clear, balanced and understandable assessment of the Group's performance and position. The ARMC is entrusted to provide assistance to the Board in reviewing the Group's financial reporting process and accuracy of its financial results, and scrutinising information for disclosure to ensure accuracy, adequacy, completeness and compliance with the accounting standards.

The Board places great emphasis on the objectivity and independence of the External Auditors. Through the ARMC, the Board maintains a transparent relationship with the External Auditors in seeking professional advice on the internal control and ensuring compliance with the appropriate accounting standards. The ARMC is empowered to communicate directly with the External Auditors to highlight any issues of concern at any point in time.

On an annual basis, the ARMC considers the re-appointment of the External Auditors and their remuneration and makes recommendations to the Board. The External Auditors are subject to re-appointment each year at the AGM.

# Corporate Governance Statement

## PRINCIPLE B: EFFECTIVE ARMC (CONT'D)

### I. ARMC (Cont'd)

The External Auditors are recommended to meet the ARMC without the presence of the executive Board members and management on a regular basis pertaining to matters relating to the Group and its audit activities. During such meetings, the External Auditors shall highlight and discuss the nature and scope of the audit, audit programme, internal controls and any other issues that may require the attention of the ARMC or the Board.

The ARMC shall ensure that the External Audit function is independent of the activities it audits and reviews the contracts for the provision of non-audit services by the External Auditors in order to make sure that it does not give rise to conflict of interests. The excluded contracts would include management consulting, internal audit and standard operating policies and procedures documentation.

The External Auditors have confirmed to the ARMC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the independence criteria set out by the Malaysian Institute of Accountants.

Further information on the roles and responsibilities of the ARMC may be found in the ARMC Report section of the Annual Report of the Company.

### II. Risk Management and Internal Control Framework

The Board is responsible for establishing a sound framework to manage risks and maintaining a sound system of internal controls, which covers not only financial controls but also operational and compliance controls as well as risk management. The Board need to review its effectiveness regularly in order to safeguard shareholders' investment and the Company's assets as required by the MCCG. The internal control system is designed to assess current and emerging risks, respond appropriately to the risks of the Group.

As an effort to enhance the system of internal control, the Board together with the assistance of an external professional Internal Audit firm adopted on-going monitoring and reviewed the existing risk management process in place within the various business operations, with the aim of formalising the risk management function across the Group.

The Board had outsourced its internal audit function as being the most cost-effective means of implementing an internal audit function. The internal audit function of the Company shall conduct independent internal audit reviews in accordance with standards of the International Professional Practices Framework promulgated by the Institute of Internal Auditors.

The Group outsourced the internal audit function to Tan & Loh Consulting Sdn. Bhd. ("**Tan & Loh**"), which reports to the ARMC and assists the ARMC in reviewing the effectiveness of the internal control systems whilst ensuring that there is an appropriate balance of controls and risks throughout the Group in achieving its business objectives.

Tan & Loh has approximately two (2) audit personnel assisting the person responsible for the internal audit. Details on the person responsible for the internal audit are set out below:

Name	Dr. Tan Yen Wooi PJK
Qualification	MIA, CIA, ACCA, MICPA
FCCA, Independence	Does not have any family relationship with any of the director and/or major shareholder of the Company.
Public Sanction or penalty	Has no convictions for any offences within the past 5 years, other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

For further details on the risk management, internal controls and internal audit functions, please refer to the Statement on Risk Management and Internal Control in this Report.

# Corporate Governance Statement

## PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

### I. Communication with Stakeholders

The Board believes that stakeholders' communication is an essential requirement of the Group's sustainability. In view thereof, stakeholders are informed of all material business events and risks of the Group in a factual, timely and widely available manner. The Board has formalised a corporate disclosure policy and procedure not only to comply with the disclosure requirements as stipulated in the AMLR, but also sets out the persons authorised and responsible to approve and disclose material information to all stakeholders.

The Group has set up an investor relations program to facilitate effective two-way communication with investors and analysts to provide a greater understanding of the Group's vision, strategies, developments and financial prospects. A variety of engagement initiatives including direct meetings and dialogues with stakeholders are constantly conducted to learn about their needs enabling sustainability and growth of the Group.

The Group's financial performance, major corporate developments and other relevant information are promptly disseminated to shareholders and investors via announcements of its quarterly results, annual report, corporate announcements to Bursa Securities and press conferences. It is the Group's practice that any material information for public announcement, including annual, quarterly financial statements, press releases, and presentation to investors, analysts and media are factual and reviewed internally before issuance to ensure accuracy and is expressed in a clear and objective manner.

The Company's corporate website includes a dedicated Investor Relations section which provides all relevant information on the Group, including announcements to Bursa Securities, share price information as well as the corporate and governance structure of the Group.

### II. Conduct of General Meetings

The AGM is the principal forum for dialogue with shareholders, allowing shareholders to review the Group's performance via the Company's Annual Report and pose questions to the Board for clarification. To ensure shareholders have sufficient time to go through the Annual Report, it is circulated at least twenty-eight (28) calendar days before the date of the AGM. Shareholders are encouraged to vote on the proposed motions by appointing a proxy in the event they are unable to attend the meeting.

At the AGM, the Board encourages shareholders' participation by providing opportunities for shareholders to raise questions on the business activities of the Group, agenda of the meetings and its proposed resolutions. During the AGM, the Directors (inclusive of the Chairman of Board Committees) are available to provide responses to questions raised by the shareholders. The External Auditors are also present to provide their professional and independent clarification on issues of concern raised by the shareholders, if any.

In line with the AMLR, the Company has implemented and will continue to implement poll voting for all proposed resolutions set out in the notice of any general meeting. An independent scrutineer will also be appointed to validate the votes cast at any general meeting of the Company.

The minutes of the AGM are then published on the Company's website upon confirmation of the Board.

# Audit and Risk Management Committee Report

The Audit and Risk Management Committee ("**ARMC**") was established with the primary objective of assisting the Board in the areas of corporate governance, system of internal control, risk management, and management and financial reporting practices of ECA Integrated Solution Berhad ("**the Company**") and its subsidiaries (collectively referred to as "**the Group**").

## COMPOSITION AND MEETING ATTENDANCE

### Members of the ARMC

The ARMC comprises of three (3) members, all of whom are Independent Non-Executive Directors and at least one (1) of the members is a member of the Malaysian Institute of Accountant. The ARMC meets the requirement of Rule 15.09(1) of the ACE Market Listing Requirements ("**AMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**").

During the financial year, the members of the ARMC are as follows:

Name of the ARMC Member	Position
Puan Zariner binti Ismail <sup>[1]</sup>	Chairperson, Independent Non-Executive Director
Dato' Dr. Shanmughanathan A/L Vellanthurai <sup>[1]</sup>	Member, Independent Non-Executive Director
Puan Masleena binti Zaid	Member, Independent Non-Executive Director

Note:

<sup>[1]</sup> Member of the Malaysian Institute of Accountant

All members of the ARMC are financially literate and are able to analyse and interpret financial statements to effectively discharge their duties, roles and responsibilities for the Company.

### Meetings

The ARMC held six (6) meetings during the financial year ended 31 October 2025 ("**FYE2025**"). The Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, senior management, External and Internal Auditors, as well as advisors, attended the meetings, upon invitation by the ARMC, to brief the ARMC on specific issues.

	Attendance
<b>Chairperson of the ARMC</b>	
Puan Zariner binti Ismail	6/6
<b>Members of the ARMC</b>	
Dato' Dr. Shanmughanathan A/L Vellanthurai	6/6
Puan Masleena binti Zaid	6/6

All deliberations at the ARMC meetings were properly recorded. The minutes of the ARMC meetings were tabled for confirmation at the meetings that followed and subsequently presented to the Board for notation. The ARMC Chairperson also reported to the Board on the activities and significant matters discussed at each ARMC meeting.

### TERMS OF REFERENCE

The scope of duties and responsibilities of the ARMC stated in the Terms of Reference ("**TOR**") is made available on the Company's website. The Board has reviewed and assessed the performance of the ARMC and is satisfied that the ARMC has discharged its functions, duties and responsibilities in accordance with its TOR.

# Audit and Risk Management Committee Report

## SUMMARY OF ACTIVITIES

In FYE2025, the following activities were carried out by the ARMC:

- a) Reviewed the unaudited quarterly financial results and annual audited financial statements of the Company and Group prior to recommending them to the Board for approval. In conducting such a review, the ARMC had sought explanations and additional information from the Chief Financial Officer and the Accountant on the reasons for any significant variances in the Group's financial performance;
- b) Assessed whether management had made appropriate estimates and judgements regarding the recognition, measurement and presentation of the financial results;
- c) Reviewed and assessed the adequacy of the scope and functions of the internal audit plan;
- d) Reviewed the internal audit reports presented and considered the findings of internal audit through the review of the internal audit reports tabled and management responses thereof;
- e) Reviewed the performance of the Internal Auditors;
- f) Reviewed and highlighted to the Board significant matters raised by the External Auditors including key audit matters and actions taken for improvement;
- g) Deliberated on significant changes pertaining to the relevant regulatory requirements, as well as accounting and auditing standards that affect the Group and the adoption of such changes by the management;
- h) Reviewed and recommended to the Board on the change of External Auditors;
- i) Reviewed the performance and independence of the External Auditors;
- j) Reviewed the proposed audit fees for the External Auditors and recommended to the Board for approval;
- k) Reviewed related party transactions and conflict of interest situation that may arise within the Group and/or the Company, to ensure that transactions entered into were on arm's length basis and on normal commercial terms;
- l) Held two (2) meetings with the External Auditors during the year. One (1) of the meetings included private session without the presence of Executive Board members and management of the Company. The ARMC also assessed the performance of the External Auditors;
- m) Reviewed and recommended that the Board approve the Circular to seek shareholders' approval on the Proposed Renewal of Shareholders' Mandate for the Recurrent Related Party Transaction of a Revenue or Trading Nature ("RRPT"), as well as monitored the actual RRPT transactions value against the shareholders' mandate; and
- n) Reviewed and recommended to the Board the Statement of Directors' Responsibility in relation to the Audited Financial Statements for the financial year ended 31 October 2024, Sustainability Statement, Statement on Risk Management and Internal Control, ARMC Report, Management Discussion & Analysis for inclusion in the Company's Annual Report.

## INTERNAL AUDIT FUNCTIONS

The Group outsourced the internal audit function to Tan & Loh Consulting Sdn. Bhd., which reports to the ARMC and assists the ARMC in reviewing the effectiveness of the internal control systems whilst ensuring that there is an appropriate balance of controls and risks throughout the Group in achieving its business objectives.

Internal audit provides independent assessment on the effectiveness and efficiency of internal controls utilising a global audit methodology and tool to support the corporate governance framework and an efficient and effective risk management framework to provide assurance to the ARMC.

# Audit and Risk Management Committee Report

## INTERNAL AUDIT FUNCTIONS (CONT'D)

During the FYE2025, the following activities were carried out by the Internal Auditors in discharge of its responsibilities:

- a. The internal audit function conducted based on an annual internal audit plan which was tabled before and approved by the ARMC;
- b. Internal Audit Plan covers the key functional areas and business activities of the subsidiaries of the Group as well as issues relating to control deficiencies and areas for improvements including the relevant recommendations to address the issues;
- c. Emphasis on best practices and management assurance that encompass all business risks, particularly on the effectiveness and efficiency of operations, reliability of reporting, compliance with applicable law and regulations and safeguard of assets;
- d. Reports issued by the internal audit function were tabled at ARMC meetings in which management was present at such meeting to provide pertinent clarification or additional information to address questions raised by the ARMC members pertaining to matters raised.

The total costs incurred in respect of the outsourced of the internal audit functions for the financial year ended 31 October 2025 was RM14,256.00.

For further details on the risk management, internal controls and internal audit functions, please refer to the Statement on Risk Management and Internal Control in this Report.

# Statement on Risk Management and Internal Control

## INTRODUCTION

The Board of Directors ("**the Board**") is pleased to provide the following Statement on Risk Management and Internal Control pursuant to Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Malaysia**") and the Malaysian Code on Corporate Governance with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("**the Guidelines**").

## BOARD RESPONSIBILITIES

The Board recognises the importance of good risk management practices and sound internal controls as a platform to good corporate governance. The Board acknowledges its responsibility for maintaining a sound risk management framework and internal control system, and ensuring its adequacy and effectiveness.

Due to inherent limitations in any risk management and internal control system, such system put into effect by management are designed to manage rather than eliminate all the risks that may impede the achievement of the Company and its subsidiaries (collectively referred to as "**the Group**")'s business objectives, and as such, it can only provide reasonable but not absolute assurance against material misstatement, loss or fraud.

The Board through its Audit and Risk Management Committee ("**ARMC**") has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Group and this process includes enhancing the risk management and internal control system as and when there are changes to the business environment and regulatory requirements. The process is reviewed by the Board and the ARMC on a periodic basis.

Management assists the Board in the implementation of the Board's policies and procedures on risk and control by identifying and assessing the risks faced by the Group, and in the design and operation of suitable internal controls to mitigate these risks identified.

The Board is of the view that the risk management and internal control system in place for the period under review and up to the date of issuance of the annual report is adequate and effective to safeguard the shareholders' investment, the interests of customers, regulators, employees and the Group's assets.

## RISK MANAGEMENT FRAMEWORK

Risk management is firmly embedded in the Group's management system as the Board firmly believes that risk management is critical for the Group's sustainability and the enhancement of shareholder value. Key management staff and Heads of Department are delegated with the responsibility to manage identified risks within defined parameters and standards.

Periodic Management Meetings which are attended by the Department Heads and key management staff are held to:

- communicate the vision, roles and direction of the Group and priorities to all the employees and key stakeholders;
- identify, assess and evaluate the key risks of the Group that affect its goals and objectives for the year under review; and
- propose the appropriate mitigating controls and the significant risks that affect the Group's strategic and business plans, if any, to the Board at their scheduled meetings.

The key management staff meets regularly to review the risks faced by the Group and ensure that the existing mitigation actions are adequate. Risks identified are prioritised in terms of likelihood of occurrence and its impact on the achievement of the Group's business objectives.

# Statement on Risk Management and Internal Control

## INTERNAL CONTROL SYSTEM

The key elements of the internal control system that provide effective governance and oversight of internal control are described as follows:

- (i) A well-defined organisational structure with clear lines of accountability and responsibilities provides a sound framework within the organisation in facilitating check and balance for proper decision making at the appropriate authority levels of management including matters that require the Board's approval.
- (ii) A documented delegation of authority that sets out decisions that need to be taken and the appropriate levels of management involved including matters that require the Board's approval.
- (iii) The Board and ARMC meet at least once on a quarterly basis to review and deliberate on the unaudited quarterly financial reports, annual financial statements, internal audit reports and etc. Discussions with management were held to deliberate on the actions that are required to be taken to address internal control issues identified.
- (iv) Internal policies and procedures had been established for key business units within the Group.

## INTERNAL AUDIT FUNCTION

The Group outsourced the internal audit function to Tan & Loh Consulting Sdn. Bhd., which reports to the ARMC and assists the ARMC in reviewing the effectiveness of the internal control systems whilst ensuring that there is an appropriate balance of controls and risks throughout the Group in achieving its business objectives.

Internal audit provides independent assessment on the effectiveness and efficiency of internal controls utilising a global audit methodology and tool to support the corporate governance framework and an efficient and effective risk management framework to provide assurance to the ARMC.

The total costs incurred in respect of the outsourced of the internal audit functions for the financial year ended 31 October 2025 was RM14,256.00.

## REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors had reviewed this Statement on Risk Management and Internal Control for inclusion in this Annual Report and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal control.

## CONCLUSION

For the financial year under review and up to the date of approval of this statement, the Board is of the opinion that the risk management and internal control system of the Group currently in place is adequate and effective to safeguard the Group's interests and assets.

In addition, the Board has received reasonable assurance from the Executive Directors that the Group's risk management and internal control system are adequate and operate effectively, in all material respects.

The Board will continue to assess and monitor the adequacy and effectiveness of the risk management and internal control system of the Group and to strengthen it, as and when necessary.

This statement is made in accordance with a resolution of the Board of Directors dated 13 February 2026.

## Statement of Directors' Responsibility in Relation to the Audited Financial Statements

The Directors are required by the Companies Act 2016 to prepare the financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards in Malaysia.

The Directors are responsible to ensure that the financial statement is given a true and fair view of the financial position of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year then ended.

In preparing the financial statements, the Directors have observed the following criteria:

- overseeing the overall conduct of the Company's business and that of the Group;
- identifying principal risks and ensuring that an appropriate system of internal control exists to manage these risks;
- reviewing the adequacy and integrity of internal controls system and management information system in the Company and within the Group;
- adopting suitable accounting policies and apply them consistently;
- making judgements and estimates that are reasonable and prudent; and
- ensuring that the financial statements were prepared on a going concern basis and in compliance with all applicable approved accounting standards in Malaysia subject to any material departures, if any, were disclosed.

The Directors are satisfied that in preparing the financial statements of the Company and the Group for the financial year ended 31 October 2025, appropriate accounting policies were used and applied consistently, and adopted to include new and revised Malaysian Financial Reporting Standards where applicable. The Directors are also of the view that relevant approved accounting standards have been followed in the preparation of these financial statements.

The Directors are also responsible for taking such reasonable steps to safeguard the assets of the Group and to minimise fraud and other irregularities.

## Additional Compliance Information

### 1. Utilisation of Proceeds

#### Special Issue of up to 83,000,000 ordinary shares to Bumiputera investors

The Company had, at its Extraordinary General Meeting held on 21 July 2023, obtained the approval from its shareholders that the Board of Directors of the Company has been authorised to allot and issue up to 83,000,000 new Ordinary Shares in the Company ("**Special Issue Share(s)**"), representing 14.37% of the existing total number of issued shares of the Company to Bumiputera investors.

On 20 November 2023, UOB Kay Hian Securities (M) Sdn. Bhd. ("**UOBKH**") announced that the Securities Commission Malaysia had vide its letter dated 14 November 2023 (which was received on 17 November 2023) informed that the Company is deemed to have complied with the Bumiputera Equity Condition after taking note of the following:

- (i) On 6 October 2023, the Company fixed the issue price of the Special Issue Shares at RM0.77 each, representing a discount of approximately 4.94% from the 5-day weighted average market price of the Company's Shares from 29 September 2023 to 5 October 2023;
- (ii) On 9 October 2023, Ministry of Investment, Trade and Industry ("**MITI**") provided the list of allocation comprising 93 Bumiputera investors for 6,152,600 Special Issue Shares to UOBKH representing 7.41% of the total 83,000,000 Special Issue Shares. In the same letter, MITI had also informed that they had exhausted all avenues to allocate the Special Issue Shares. As such, MITI would not proceed to further allocate the remaining Special Issue Shares;
- (iii) As at 13 October 2023, a total payment for 1,540,200 Special Issue Shares amounting to RM1,185,954 were received from 53 Bumiputera investors. This represents an acceptance of 25.03% of the total 6,152,600 Special Issue Shares offered; and
- (iv) On 20 October 2023, the 1,540,200 Special Issue Shares had been allotted to the 53 Bumiputera investors as well as listed and quoted on the ACE Market of Bursa Securities with effect from 9:00 am on Tuesday, 24 October 2023. The Company is deemed to have complied with the Bumiputera Equity Condition.

The status of the utilisation of the proceeds as at 31 October 2025 are as follows:

Detail of utilisation	Estimated timeframe for the utilisation upon listing	Proposed utilisation (RM'000)	Variation (RM'000)	Actual utilisation (RM'000)	Utilisation rate
Working capital	Within 24 months	886	125	1,011	100.0%
Estimated listing expenses	Upon completion of exercise	300	(125)	175	100.0%
		<b>1,186</b>	<b>-</b>	<b>1,186</b>	<b>100%</b>

### 2. Material Contracts

There were no material contracts entered into by the Group involving the interests of the Directors and major shareholders during the financial year.

### 3. Contract Related to Loans

There were no material contracts relating to loans entered into by the Group involving the Directors and major shareholders during the financial year.

### 4. Recurrent Related Party Transactions

Details of transactions with related parties undertaken by the Group during the financial year are disclosed in the Financial Statements.

## Additional Compliance Information

### 5. Audit and Non-Audit Fees

During the financial year ended 31 October 2025, audit and non-audit fees incurred for services rendered to the Company and/or its subsidiaries (collectively referred as “**the Group**”) were as follows:

Nature of Services	Company (RM'000)	Group (RM'000)
Audit Service Rendered	52	110
Non-Audit Service Rendered		
(a) Review of Statement of Risk Management and Internal Control	10	10
Total	62	120