

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0341
COMPANY NAME : Colform Group Berhad
FINANCIAL YEAR : December 31, 2025

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES 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	:	<p>The Board of Directors ("Board") is responsible for the leadership, oversight, and securing the long-term success of Colform Group Berhad ("Colform" or "the Company") and its subsidiaries ("Group"). The responsibility entails guiding the Group towards generating sustainable value for its stakeholders while upholding rigorous governance standards. The Board members are expected to demonstrate exemplary stewardship, professionalism, and alignment with the Group's principles, all while fulfilling their fiduciary obligations.</p> <p>Additionally, the Board is responsible for overseeing that the Management, maintains a robust governance, risk management internal control systems. This is to ensure that operations are carried out effectively and efficiently, maintain adequate and effective internal control standards, and comply with all relevant laws and regulations and conduct the business ethically.</p> <p>The Board assumes, among others, the following responsibilities:-</p> <ul style="list-style-type: none">• Overseeing and evaluating the conduct and sustainability of the businesses of the Group, assuming the responsibility for succession planning.• Reviewing and adopting the Group's overall strategic direction, business plans, and annual budgets of the Group, including major capital commitments.• Establishing key performance indicators and ensuring that senior management has the necessary skills and experience for the orderly succession of the Board and Senior Management.• Reviewing and approving new ventures, major acquisitions and disposals of undertakings and properties.

	<ul style="list-style-type: none"> • Implementing appropriate systems to manage and monitor significant financial and non-financial risks. • Reviewing the adequacy and integrity of the Group’s internal control systems, risk management and management information systems. • Overseeing the development and implementation of the shareholders’ communications policy for the Company. • Assessing the training needs of the Directors and ensure Directors have access to continuing education programme. • Ensuring the quality and completeness of the financial statements of the Group and are prepared based on the appropriate and consistently applied accounting standards and policies. • Ensuring the Company has in place procedures to enable effective communication with stakeholders. <p>The Board has also delegated day-to-day management and operational responsibilities of the Group to the Executive Directors and the Management. For the effective function of the Board, the Board has also delegated specific responsibilities to the following Board Committees within their respective Terms of Reference (“TOR”):-</p> <ul style="list-style-type: none"> • Audit and Risk Management Committee (“ARMC”); • Nomination Committee (“NC”); and • Remuneration Committee (“RC”). <p>In discharging its fiduciary duties and leadership functions, the Board is guided by the Board Charter which sets out the principles and guidelines that are to be applied by the Board. The Board has also established a Code of Ethics and Conduct which serves as an internal frame of reference for the Directors, Management and employees of the Group in the conduct of their daily activities. The Code of Ethics and Conduct forms an integral part of the Company’s Board Charter.</p> <p>The Board Charter and TOR of the respective Board Committees are available on the Company’s website at www.colform.com.my.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	

Timeframe	:		
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Intended Outcome

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

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the Board is Datuk Ir. Hj. Ali Ahmad Bin Hamid, an Independent Non-Executive Chairman, whose profile is set out in the Directors' Profile of the Annual Report 2025.</p> <p>Datuk Ir. Hj. Ali Ahmad Bin Hamid is primarily responsible for the leadership, governance and conduct of the Board as well as for ensuring the Board's effectiveness. He will act independently in the best interest of the Group and lead the Board and represent the Board to engage with the shareholders and other stakeholders.</p> <p>The roles and responsibilities of the Chairman of the Board have been clearly defined in the Board Charter, which is available on the Company's website at www.colform.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The positions of Independent Non-Executive Chairman and the Managing Director (“MD”) are held by two (2) different individuals, namely Datuk Ir. Hj. Ali Ahmad Bin Hamid and Mr. Kang Ket Hung respectively.</p> <p>The Board Charter has clearly established the respective roles and responsibilities of the Independent Non-Executive Chairman and the MD to ensure a balance of power and authority to promote accountability, such that no one individual has unfettered decision-making powers.</p> <p>The Independent Non-Executive Chairman is responsible for, among others, the leadership, effectiveness, conduct and governance of the Board. The Board has delegated its responsibilities for the day-to-day management of the Group’s operations and business as well as the implementation of the Board’s policies and decisions to the Non-Independent Executive Directors (“EDs”) and Key Senior Management of the Group. The MD and EDs are responsible for the implementation of the Board’s policies and decisions, entrusted by the Board with the responsibility to manage the Group’s day-to-day business operations and resources.</p> <p>The details of the roles and responsibilities of the Independent Non-Executive Chairman, MD and EDs are clearly set out in the Board Charter which is available at the Company’s website at www.colform.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Departure
Explanation on application of the practice :	
Explanation for departure :	<p>Datuk Ir. Hj. Ali Ahmad Bin Hamid, the Chairman of the Board was appointed as a member of ARMC, NC and RC on 29 May 2025.</p> <p>The Chairman of the Board does not have any conflict of interest in all aspects of the Group nor has family relationships with any Directors or major shareholders of the Company which may affect his independence or influence his judgement. The Board is of the view that with diverse skills and competencies of the individual Directors, especially Independent Directors, who are appointed to form a competent and strong Board, the Chairman's participation at the Board Committee level should be determined by his ability to contribute and participate, as much as the need for objectivity. The Board also believes that the objectivity in receiving or assessing Board Committees' reports has not been diminished in any way. The three (3) Independent Directors out of six (6) Board members enable objective and independent during Board deliberation and decision making.</p> <p>The members of three (3) Board Committees comprise entirely of Independent Directors. Datuk Ir. Hj. Ali Ahmad Bin Hamid, serving as a member of these committees will not influence the other members when matters are being deliberation and decision voted.</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

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

Practice 1.5

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

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

	<p>proper records of the proceedings and resolutions passed were taken and maintained in the statutory records of the Company.</p> <p>Overall, the Board is satisfied with the performance and support rendered by the Company Secretaries and their team to the Board in the discharge of their duties and functions.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	:	Applied
Explanation on application of the practice	:	<p>To assist the Directors in managing their schedules, the Company Secretaries prepare an annual meeting calendar ahead of each new year. This calendar outlines the dates of Board and Board Committee meetings, as well as the annual general meeting (“AGM”). Additionally, it includes closed periods for trading in securities to be observed by Directors and principal officers, aligning with scheduled announcements of the Company's quarterly results.</p> <p>The notices of the Board and Board Committees meetings together with the meeting papers are generally furnished to the Board members at least five (5) working days prior to the dates of meetings. This is to ensure that the Directors have sufficient preparation time and information to make an informed decision at each meeting.</p> <p>In the intervals between scheduled Board and Board Committees meetings, for exceptional matters requiring urgent Board and Board Committees decisions are obtained via additional ad-hoc meetings convened or written resolutions which are supported with board papers, providing information necessary for the Board and Board Committees’ deliberation to ensure the Directors can make informed decisions. All written resolutions approved by the Board and Board Committees will be tabled for notation at the next Board and Board Committees meeting.</p> <p>The deliberations and conclusions of matters discussed in the Board or Board Committees meetings are duly recorded in the minutes of meetings. The draft minutes are circulated for the Board or Board Committee for review within a reasonable timeframe after the meetings. The minutes of meetings accurately captured the deliberations and decisions of the Board and/or the Board Committees, including whether any Director abstains from voting or deliberating on a particular matter.</p> <p>All the records of proceedings and resolutions passed are kept at the registered office of the Company.</p> <p>All Directors have full and unrestricted access to timely information about the Group. In addition, the Directors are also empowered to seek independent external professional advice at the expense of the</p>

	Company, should they consider it necessary in the course of their duties.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company’s website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has formalised and adopted the Board Charter covering the respective roles and responsibilities of the Board, Board Committee, individual Directors, MD, EDs and Management and the issues and decisions reserved for the Board’s decision.</p> <p>This Board Charter serves as a guiding literature to the Board in the fulfilment of its fiduciary and leadership functions.</p> <p>The Board Charter will be reviewed and updated as and when necessary to ensure it remains consistent with the Group’s policies and procedures, the Board’s overall responsibilities as well as changes to legislation and regulations.</p> <p>The Board Charter is available on the Company’s website at www.colform.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Code of Ethics and Conduct which forms part of the Board Charter was adopted by the Board and is observed by all Directors, Management and employees of the Group which is available on the Company's website at www.colform.com.my.</p> <p>This Code of Ethics and Conduct sets out the standard of ethical behaviour and value expected of Directors, Management and any other employees at the executive level and above and serves as a guide and reference in the course of the performance of their duties and responsibilities.</p> <p>The Board recognises that integrity, professionalism and ethical conduct are essential to achieving the Group's objectives in an open, honest, and principled manner.</p> <p>The Board will review the Code of Ethics and Conduct from time to time to ensure that it continues to remain relevant and appropriate.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board had adopted the Whistleblowing Policy to provide an avenue for Directors, employees and external parties to raise concerns about possible improprieties, unethical or illegal activities within the Group.</p> <p>The Board will review and update the Whistleblowing Policy at least once every three (3) years to ensure its effectiveness and consistency with the governing legislation and regulatory requirements.</p> <p>The Whistleblowing Policy is available on the Company’s website at www.colform.com.my.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledged that sustainable development is important to the activities and business operation of the Group which influences the approach of the Group operating its business by embracing better practices that are sustainable to realise the Group's Economic, Environmental, Social and Governance ("EESG") development agenda.</p> <p>The Board has tasked the ARMC to:</p> <ul style="list-style-type: none">(i) Oversee and review the development and implementation of the Company's sustainability policies, strategies, framework, initiatives and practices;(ii) Oversee the effectiveness of internal controls and risk management related to sustainability including EESG; and(iii) Assist the Board with regulatory changes and ensure compliance with laws and regulations. <p>To support the Group's sustainability efforts, the Managing Director and Senior Management team, serves as the main enabler in assisting the ARMC and the Board in driving and implementing the sustainability strategies and initiatives. Their key responsibilities include:</p> <ul style="list-style-type: none">(i) Develop and implement sustainability strategies, initiatives, and targets, as well as provide recommendations on the effectiveness of sustainability initiatives to ensure alignment with the Group's overall operations and business goals for the Board;(ii) Oversee the implementation of the sustainability processes and controls within the departments and functions of the Group as well as report the progress to the Board; and

	<p>(iii) Promote sustainability awareness and collaboration with internal and external stakeholders.</p> <p>The relevant sustainability matters are discussed in the Sustainability Statement as included in the Annual Report 2025, which is available on the Company's website at www.colform.com.my.</p>	
Explanation for departure		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure		
Timeframe		

Intended Outcome

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

Practice 4.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises that engagement and feedback from internal and external stakeholders are an integral part of the Group’s sustainability strategy and initiatives. Stakeholder groups, which are key to the Group’s operations and have significant influence over the impacts of the Group’s businesses, were identified and engaged on various platforms.</p> <p>The Company has engaged with key stakeholder groups in a variety of ways which had been done at both the business units and corporate levels through formal and informal activities and at different frequency depending the importance of each stakeholder group. The collective opinions and insights from the key stakeholder groups provided valuable feedback to enable the Board review its sustainability agenda and approach taking into account stakeholders’ expectations.</p> <p>Details pertaining to the stakeholders’ engagement are available in the Sustainability Report in the Annual Report 2025 which is available on the Company’s website at www.colform.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board through the NC assessed the training programmes attended by each Director during the financial year to ensure they stay abreast with the latest developments in the industry as well as the sustainability issues relevant to the Group, including factors that are driving climate change, sustainable finance and achieving a sustainable business model.</p> <p>All Board members have attended and completed the Mandatory Accreditation Programme Part I on corporate governance and director's roles, duties and liabilities as well as the Mandatory Accreditation Programme Part II on sustainability, as prescribed and in compliance with the Listing Requirements.</p> <p>The key training programmes attended by each Director in the financial year ended 31 December 2025 ("FYE 2025") are set out in the Corporate Governance Overview Statement of Annual Report 2025.</p> <p>The Company Secretaries regularly updates the Board on the changes of the Listing Requirements and/or other regulatory requirements upon receiving the circulars from Bursa Securities and/or other regulators, which are relevant to the Company and provides advice on corporate disclosures and compliance issues.</p> <p>The Board also receives updates on sustainability performance, material sustainability matters and climate-related issues from ARMC and Management. This allows the Board to consider sustainability matters when making strategic decisions and overseeing the long-term resilience of the Company.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company’s material sustainability risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board and the Management have performed their respective roles in addressing material sustainability risks and opportunities in line with the Group’s sustainability strategy and initiatives.</p> <p>The performance evaluation of the Board in addressing the Group’s strategic and business plans including material sustainability matters was evaluated through the annual Board’s effectiveness evaluation for the FYE 2025. As a whole, the Board possess the necessary skills and expertise, as well as have sufficiently discharged their duties and responsibilities including, in addressing the Group’s material sustainability-related risks and opportunities.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p>he NC reviews the overall composition of the Board in terms of size, a mix of skills, experience and core competencies, as well as the balance between MD, EDs and Independent Non-Executive Directors.</p> <p>The effectiveness of the Board as a whole and the contribution of each Director to the effectiveness of the Board and the contribution of the Board's various committees will be assessed on an annual basis by the NC and the Board.</p> <p>With regards to the annual re-election of retiring Directors, the NC assessed the retiring Directors based on their contributions, attendance, participation in meetings, industry and business knowledge, skills, expertise, time commitment, fit and proper criteria as well as the independence criteria of the retiring Independent Director. The Board agreed with the NC 's assessment and accordingly, recommended to the shareholders to approve the re-election of the retiring Directors at the forthcoming AGM.</p> <p>The Board is fully aware that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years as recommended by the Malaysia Code of Corporate Governance. However, if the Board intends to retain a Director who has served as an Independent Director of the Company for a cumulative term of more than nine (9) years, the Board must justify its decision and seek the shareholders' approval through a two-tier voting process at a general meeting. During the FYE 2025, none of our Directors has served the Board as an Independent Director of the Company for a cumulative term of more than nine (9) years.</p> <p>The annual re-election of retiring Directors has been contingent on a satisfactory evaluation of the retiring Directors' performance and contribution to the Board.</p> <p>In addition, the Directors' Fit and Proper Policy serves as a guide to NC and the Board for the appointment and re-election of retiring Directors of the Company. The Directors' Fit and Proper Policy is published on the Company's website at www.colform.com.my.</p>

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

Intended Outcome

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

Practice 5.2

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

Application	:	Applied														
Explanation on application of the practice	:	<p>The current Board consists of six (6) members, comprising one (1) MD, two (2) Non-Independent Executive Directors and three (3) Independent Non-Executive Directors, as set out in the table below:</p> <table border="1"><thead><tr><th>Name</th><th>Designation</th></tr></thead><tbody><tr><td>Datuk Ir. Hj. Ali Ahmad Bin Hamid</td><td>Independent Non-Executive Chairman</td></tr><tr><td>Kang Ket Hung</td><td>MD</td></tr><tr><td>Kang Phui Ting</td><td>Non-Independent Executive Director</td></tr><tr><td>Kang Phui Yie</td><td>Non-Independent Executive Director</td></tr><tr><td>Noor Ilienna Rahayu Binti Ibrahim</td><td>Independent Non-Executive Director</td></tr><tr><td>Tan Kung Ming</td><td>Independent Non-Executive Director</td></tr></tbody></table> <p>The present composition of the Board complies with Rule 15.02 of the Listing Requirements of Bursa Securities and Practice 5.2 of the Malaysia Code of Corporate Governance as half (50%) of the Board comprises Independent Directors. All the Independent Directors had satisfied with the independence test under the Listing Requirements of Bursa Securities.</p> <p>The presence of Independent Directors ensures that views, consideration, judgment and discretion exercised by the Board in decision making remain objective and independent whilst assuring the interest of minority shareholders are fully addressed and adequately protected as well as being accorded with due consideration.</p>	Name	Designation	Datuk Ir. Hj. Ali Ahmad Bin Hamid	Independent Non-Executive Chairman	Kang Ket Hung	MD	Kang Phui Ting	Non-Independent Executive Director	Kang Phui Yie	Non-Independent Executive Director	Noor Ilienna Rahayu Binti Ibrahim	Independent Non-Executive Director	Tan Kung Ming	Independent Non-Executive Director
Name	Designation															
Datuk Ir. Hj. Ali Ahmad Bin Hamid	Independent Non-Executive Chairman															
Kang Ket Hung	MD															
Kang Phui Ting	Non-Independent Executive Director															
Kang Phui Yie	Non-Independent Executive Director															
Noor Ilienna Rahayu Binti Ibrahim	Independent Non-Executive Director															
Tan Kung Ming	Independent Non-Executive Director															
Explanation for departure	:															
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>																

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied	
Explanation on application of the practice	:	None of the Independent Directors of the Company has served the Board exceeding a cumulative term limit of nine (9) years for the FYE 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

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

Practice 5.4 - Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges the importance of appointing Directors and senior management based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.</p> <p>The NC is responsible for assessing, evaluating and recommending a new member to the Board after taking into consideration the relevant criteria such as age, gender, ethnicity, skill and experience, industry knowledge, personal qualities and characteristics which include integrity and willingness and ability to discharge duty as Director.</p> <p>The NC will also seek the nomination of suitable candidates for the senior management team from its members, Management and shareholders of the Company, then evaluate the suitability of the candidate prior to recommending the proposed candidate to the Board.</p> <p>On the recommendation of the NC, the Board will deliberate on the appointment of a member after taking into consideration the predefined criteria including age, skill and working experience, industry exposure, educational background and personal characteristics.</p> <p>During the FYE 2025, the Board did not appoint any Director.</p> <p>The Board had adopted the Directors' Fit and Proper Policy to ensure a transparent and rigorous process for the appointment and re-election of Directors of the Company. This policy is accessible on the Company's website at www.colform.com.my.</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

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

Practice 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The appointment of a new Director is a matter for consideration and decision by the Board, upon appropriate assessment and recommendation from the NC.</p> <p>The members of the Board are to be appointed in a formal and transparent practice as recommended in the Malaysia Code of Corporate Governance. The NC will scrutinise the candidates and recommend the same for the Board's approval. The NC uses a variety of sources for the identification of suitable candidates.</p> <p>The NC is open to referrals from external sources available, such as industry acquaintances, contacts in related industries, consultants, etc to gain access to a wide pool of potential candidates besides tapping on the recommendations from existing Board members, Management or major shareholders. Shortlisted candidates would be required to furnish their curriculum vitae containing information on their academic/professional qualification, work experience, employment history and experience as directors of listed companies (if any).</p> <p>The NC will perform an annual review of the required mix of skills and experience and other qualities including core competencies that Directors should bring to the Board and assess the effectiveness of the Board as a whole, as well as, look into succession planning, boardroom and gender diversity to ensure the effectiveness of the Board.</p> <p>The policies and procedures for the recruitment and appointment of Directors are guided by the TOR of the NC available on the Company's website at www.colform.com.my.</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

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 profiles of the Directors who were due for retirement and offered themselves for re-election at the forthcoming AGM, were set out in the Annual Report 2025. The performance of retiring Directors has been assessed by the NC and the Board has recommended for the shareholders to approve the re-election of the Retiring Directors at the forthcoming AGM. A statement by the Board and NC being satisfied with the performance and effectiveness of the retiring Directors who offered themselves for re-election at the forthcoming 2 nd AGM was stated in the Notes accompanying the Notice of 2 nd AGM.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The NC is chaired by Pn. Noor Ilienna Rahayu Binti Ibrahim, who is an Independent Non-Executive Director of the Company. The profile of the Chairperson of the NC are disclosed in the Annual Report 2025.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	For the FYE 2025, the Board comprises three (3) women Directors, representing 50% of the Board comprising of six (6) members.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board had formalised and adopted the Gender Diversity Policy which provides a framework for the Company to have gender balance composition at the Board level and Senior Management level.</p> <p>The Company acknowledges the importance to promote gender diversity at the Board and Senior Management level and will actively work towards having more female Directors and Senior Management. However, to avoid any mismatch and ineffective appointment of the female Directors and Senior Management, the Company does not set any specific target for female Directors and Senior Management in this policy.</p> <p>The Gender Diversity Policy is disclosed in the Annual Report 2025 and is available on the Company's website at www.colform.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>					
Application	: Applied				
Explanation on application of the practice	: <p>The Company has in place a formal process for assessment of the effectiveness of the Board and the Board Committees as a whole and the contribution by each Director, including the independence of the Independent Non-Executive Director to the effectiveness of the Board and Committees, making reference to the guides available and the good corporate governance compliance.</p> <p>The assessment of the Board and Board Committees is performed on a Board review whilst the assessment of the individual Directors is performed on a peer review basis. Each Director is provided with the assessment forms for their completion prior to the meeting. The results of all assessments and comments by the Directors are summarised and deliberated at the NC meeting and thereafter the NC's Chairperson will report the results and deliberation to the Board.</p> <p>The annual assessment criteria of the Board and Board Committees and individual Directors were updated to stay aligned with the recommended practices in the Malaysian Code of Corporate Governance ("MCCG"). The areas covered in the aforesaid annual assessment criteria are as follows:</p> <table border="1"> <thead> <tr> <th>Evaluation</th> <th>Assessment Criteria</th> </tr> </thead> <tbody> <tr> <td>Board and Board Committees as a whole</td> <td> <ul style="list-style-type: none"> • Role of the Chairman and Executive Director • Board balance, size and composition • Board structure and procedures • Relationship of the Board to Management • Quality and supply of information to the Board/Board's Committees • Access to information and advice </td> </tr> </tbody> </table>	Evaluation	Assessment Criteria	Board and Board Committees as a whole	<ul style="list-style-type: none"> • Role of the Chairman and Executive Director • Board balance, size and composition • Board structure and procedures • Relationship of the Board to Management • Quality and supply of information to the Board/Board's Committees • Access to information and advice
Evaluation	Assessment Criteria				
Board and Board Committees as a whole	<ul style="list-style-type: none"> • Role of the Chairman and Executive Director • Board balance, size and composition • Board structure and procedures • Relationship of the Board to Management • Quality and supply of information to the Board/Board's Committees • Access to information and advice 				

		<ul style="list-style-type: none"> • Accountability for financial reporting, internal control and sustainability risk and opportunities • Relation with Auditors/Shareholders/ Investors • Use of Board Committees • Directors' training
	ARMC	<ul style="list-style-type: none"> • Composition and quality • Oversight of the financial reporting process, including internal controls • Understanding the business, including risk and control environment • Access to information and advice • Oversight of audit functions • Compliance with corporate governance • External Auditors • Staying abreast on issues • Report and recommendations
	Non-Independent Executive Directors	<ul style="list-style-type: none"> • Financial • Strategic and sustainability • Conformance and compliance • Business acumen/increasing shareholders' wealth • Succession planning • Personal input to the role
	Non-Executive Directors	<ul style="list-style-type: none"> • Attendance at Board and/or Board Committees' meetings • Adequate preparation for Board and/or Board Committees' meetings • Regular contribution to Board and/or Board Committees' meetings • Personal input to the role
<p>In respect of the annual performance evaluation for the FYE 2025, the Board as a whole, based on the assessment of the NC, concluded that:</p> <p>(a) the Board and Board Committees discharged their duties and responsibilities effectively; and</p> <p>(b) each Director continued to perform effectively and demonstrated commitment to his/her role.</p> <p>The Board is satisfied with the current evaluation process. The Board will continue to review the Board's evaluation process as and when necessary to ensure it remains a valuable feedback mechanism for improving the Board's effectiveness.</p>		

Explanation for departure :		
<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	:	<p>The Board had adopted a formal Remuneration Policy as a guide for the Board and the RC to determine the remuneration of Directors and/or Senior Management of the Group, which takes into account the demands, complexities and performance of the Group as well as skills and experience required.</p> <p>The remuneration of the Managing Director, Executive Directors, Non-Independent Executive Directors and Senior Management is made up of fixed salaries and performance-based incentive components. The remuneration of Non-Executive Directors consists of fees and allowance and is not be based on commission, percentage of profits or turnover.</p> <p>Each Director shall abstain from the deliberation and voting on matters pertaining to their own remuneration.</p> <p>The Remuneration Policy is available on the Company's website at www.colform.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied								
Explanation on application of the practice	:	<p>The current RC comprises solely of Independent Non-Executive Directors and its composition is as follows:</p> <table border="1"><thead><tr><th>Name of Director</th><th>Designation</th></tr></thead><tbody><tr><td>Tan Kung Ming (<i>Chairman</i>)</td><td>Independent Non-Executive Director</td></tr><tr><td>Noor Ilienna Rahayu Binti Ibrahim</td><td>Independent Non-Executive Director</td></tr><tr><td>Datuk Ir. Hj. Ali Ahmad Bin Hamid</td><td>Independent Non-Executive Director</td></tr></tbody></table> <p>The RC is principally responsible for the development and review of the remuneration policy and packages of Non-Executive Directors, where necessary, and subsequently tables their recommendations to the Board on specific adjustments in remuneration (including fees and benefits) to commensurate the contributions of the Non-Executive Directors.</p> <p>The RC is also responsible for ensuring that the remuneration package (including fees and benefits) of the Managing Director, Executive Directors and the Senior Management of the Group is benchmarked with industry standards in light of the Group's performance in the industry.</p> <p>Each Director shall abstain from the deliberation and voting on matters pertaining to their own remuneration.</p> <p>The TOR of the RC is accessible on the Company's website at www.colform.com.my.</p>	Name of Director	Designation	Tan Kung Ming (<i>Chairman</i>)	Independent Non-Executive Director	Noor Ilienna Rahayu Binti Ibrahim	Independent Non-Executive Director	Datuk Ir. Hj. Ali Ahmad Bin Hamid	Independent Non-Executive Director
Name of Director	Designation									
Tan Kung Ming (<i>Chairman</i>)	Independent Non-Executive Director									
Noor Ilienna Rahayu Binti Ibrahim	Independent Non-Executive Director									
Datuk Ir. Hj. Ali Ahmad Bin Hamid	Independent Non-Executive Director									
Explanation for departure	:									

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

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The detailed disclosure on a named basis for the remuneration of individual Directors for the FYE 2025 is set out below and in the Corporate Governance Overview Statement of the Annual Report 2025.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Datuk Ir. Hj. Ali Ahmad Bin Hamid	Independent Director	58.50	-	-	-	-	-	58.50	58.50	-	-	-	-	-	58.50
2	Kang Ket Hung	Executive Director	-	-	-	-	-	-	-	-	-	768.00	226.00	-	123.46	1,117.46
3	Kang Phui Ting	Executive Director	-	-	-	-	-	-	-	-	-	279.00	60.00	-	39.67	378.67
4	Kang Phui Yie	Executive Director	-	-	-	-	-	-	-	-	-	564.60	130.00	-	86.14	780.74
5	Kang Ah Hin <i>(Retired on 29 May 2025)</i>	Non-Executive Non-Independent Director	20.25	-	-	-	-	-	20.25	20.25	-	-	-	-	-	20.25
6	Noor Ilienna Rahayu Binti Ibrahim	Independent Director	28.75	-	-	-	-	-	28.75	28.75	-	-	-	-	-	28.75
7	Tan Vun Su <i>(Retired on 29 May 2025)</i>	Independent Director	17.50	-	-	-	-	-	17.50	17.50	-	-	-	-	-	17.50
8	Tan Kung Ming	Independent Director	38.00	-	-	-	-	-	38.00	38.00	-	-	-	-	-	38.00

Intended Outcome

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

Practice 8.2

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

Application	:	Departure								
Explanation on application of the practice	:									
Explanation for departure	:	<p>Due to confidentiality and sensitivity of the remuneration packages of Senior Management as well as security concerns, the Board opts not to disclose the Senior Management's remuneration components on a named basis in the bands of RM50,000.</p> <p>The Board is of the view that the disclosure of the Senior Management's remuneration components on a named basis will not be in the best interest of the Company given that the competitive human resources environment as such disclosure may give rise to recruitment and talent retention issues.</p> <p>As an alternative, the Board is of the view that the disclosure of Senior Management's aggregated remuneration on an unnamed basis in the bands of RM50,000 is adequate, as follows:-</p> <table border="1" data-bbox="555 1406 1300 1594"> <thead> <tr> <th rowspan="2">Range of Remuneration</th> <th>Group</th> </tr> <tr> <th>Number of Senior Management</th> </tr> </thead> <tbody> <tr> <td>RM50,001 to RM100,000</td> <td>1</td> </tr> <tr> <td>RM100,001 to RM150,000</td> <td>1</td> </tr> </tbody> </table>		Range of Remuneration	Group	Number of Senior Management	RM50,001 to RM100,000	1	RM100,001 to RM150,000	1
Range of Remuneration	Group									
	Number of Senior Management									
RM50,001 to RM100,000	1									
RM100,001 to RM150,000	1									
<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	:									

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the Board is Datuk Ir. Hj. Ali Ahmad Bin Hamid while the ARMC Chairman is Mr. Tan Kung Ming. The roles are assumed by separate individuals to ensure that the Board's review of the ARMC's findings and recommendations are not impaired.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company recognised the need to uphold the independence of its external auditors and that no possible conflict of interest whatsoever should arise. Currently, the ARMC comprises three (3) members and none of the members were former key audit partners of the external auditors appointed by the Company. The Company will observe a cooling-off period of at least three (3) years in the event any potential candidate to be appointed as a member of the ARMC was a key audit partner of the external auditors of the Group.</p> <p>The requirement for a former key audit partners of the external audit firm to observe a cooling off period of at least three (3) years before being appointed as a member of the ARMC has been incorporated as part of the TOR of the ARMC.</p> <p>The TOR of the ARMC is available on the Company's website at www.colform.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board had established an External Auditors Assessment Policy which sets out the guidelines and procedures to be followed by the ARMC in review, assess and monitor the suitability, independence and performance of the External Auditors, The ARMC will consider amongst others, the following:-</p> <ul style="list-style-type: none">(a) Calibre of the audit firm;(b) Quality of the audit engagement team;(c) Quality of communication and interaction with the audit team;(d) Audit scope and quality processes;(e) Audit governance and independence; and(f) Audit fee. <p>The External Auditors are precluded from providing any services that may impair their independence or conflict with their role as the External Auditors.</p> <p>The ARMC obtained assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</p> <p>The ARMC had carried out an annual performance assessment of the External Auditors for the FYE 2025, and concluded that the External Auditors were competent and had provided the necessary quality of service to continue serving the Company and the Group.</p> <p>The Board agreed with the recommendation of the ARMC and is proposing to the shareholders to approve the re-appointment of the External Auditors for the financial year ending 31 December 2026 at the forthcoming AGM.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>All the members of the ARMC are Independent Non-Executive Directors and as such, there is a strong and independent element to provide effective oversight for it to function effectively and exercise objective judgement independently.</p> <p>The composition of the ARMC is as follows:-</p> <ul style="list-style-type: none">(a) Mr. Tan Kung Ming (Chairman);(b) Pn. Noor Ilienna Rahayu Binti Ibrahim; and(c) Datuk Ir. Hj. Ali Ahmad Bin Hamid.

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The ARMC Chairman, Mr. Tan Kung Ming, is a chartered accountant of the Malaysian Institute of Accountants (MIA) and a certified public accountant with The Malaysian Institute of Certified Public Accountants (MICPA). All members of the ARMC have the necessary skills to discharge their duties in accordance with its TOR. The ARMC Chairman and a majority of the ARMC members are financially literate and are able to understand matters under the purview of the ARMC including the financial reporting process.</p> <p>They are expected to devote sufficient time to update their knowledge and enhance their skills through appropriate continuing education programmes, so as to enable them to sustain their active participation during deliberations.</p> <p>The ARMC is committed to stay abreast with the relevant developments in accounting and auditing standards, practices and rules by continuously searching for suitable professional development programmes.</p> <p>During the financial year, the External Auditors briefed the ARMC on new accounting standards and financial reporting requirements.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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 as a whole is responsible for the overall oversight of risk management in the Group covering the system of risk management and internal control. The Board recognises the importance of a sound risk management framework and internal control system to ensure the assets of the Group and interest of various stakeholders are safeguarded.</p> <p>The Board and the Management Team are responsible to ensure an appropriate risk management process for identifying, assessing, managing, monitoring and reviewing the risks encountered by the Group. The Group has implemented the Risk Management and Internal Control Policy ("RMIC Policy") which is integrated into the Group's ongoing business operations. This RMIC Policy outlined the risk governance structure and overall steps for design, implementation and monitoring of the Group's risk management and internal control system.</p> <p>As part of the Risk Management System process, the ARMC performed, amongst others, the following:</p> <ul style="list-style-type: none">(i) To oversee risk management and processes in identifying, evaluating, monitoring and managing the risks within the Group;(ii) To identify the key risks encountered and evaluate the adequacy of the management responses and measures taken to mitigate the risks, ensuring that the risks are managed within the Group's risk appetite;(iii) To review and assess the adequacy and effectiveness of risk management, internal control, governance processes and accounting control procedures in place to mitigate the risks; and(iv) To review the implementation of the Group's RMIC Policy, covering all material controls such as financial, operational and compliance been conducted at least annually and recommend changes as needed.

	The risk management and internal control framework is detailed the Statement on Risk Management and Internal Control is set out in the Annual Report 2025.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of sound risk management and internal control practices for good corporate governance. The Board affirms its responsibility for ensuring the Group's system is able to adequately and effectively manage significant risks. The Group has in place an ongoing process for identifying, evaluating and managing significant risks through a framework that includes a reporting structure. The Group's system of internal control is designed to manage and control risks appropriately, rather than eliminate the risk of failure to achieve business objectives. Due to the inherent limitations in all control systems, these control systems can only provide reasonable and not absolute assurance.</p> <p>The full features of the risk management and internal control framework are set out in the Statement on Risk Management and Internal Control in the Annual Report 2025.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group's internal audit function is outsourced to an external professional firm, namely Kevin How & Co PLT to assess the adequacy and effectiveness of the risk management and internal control systems of the Group.</p> <p>The ARMC will review and approve the internal audit engagement to ensure the appropriateness of the audit scope. When reviewing the Internal Audit reports, the ARMC will consider the impact of the audit issues and assess whether Management has provided their comments appropriately reflecting their commitment to the audit recommendations.</p> <p>To ensure that the responsibilities of Internal Auditors are fully discharged, the ARMC evaluates the performance of the Internal Auditors for the FYE 2025 based on the following evaluation criteria as set out in the Internal Auditors' Annual Assessment Form:-</p> <ul style="list-style-type: none">(a) Calibre of the internal audit firm;(b) Quality of the internal audit engagement team;(c) Quality of communication and interaction with the internal auditors;(d) Internal audit scope and quality processes;(e) Audit Governance and independence; and(f) Internal audit fee. <p>The internal audit functions and activities carried out during the FYE 2025 are as disclosed in the Audit and Risk Management Committee Report of the Annual Report 2025.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied									
Explanation on application of the practice	:	The internal audit function is outsourced to Kevin How & Co PLT (“KH” or “Internal Auditors”), a third party professional internal audit service firm which is independent of the operations and activities of the Group. The engagement team from the Internal Auditors are free from any relationship or conflict of interest, which could impair their objectivity and independence.									
		The internal audit function is headed by Mr. Chong Ket Vui, Dusun and his profile is set out as follows:-									
		<table border="1" style="width: 100%;"> <tr> <td style="width: 20%;">Principal Engagement Lead</td> <td style="width: 5%;">:</td> <td>Chong Ket Vui, Dusun</td> </tr> <tr> <td>Qualification</td> <td>:</td> <td>Member of Malaysian Institute of Certified Public Accountants (MICPA) Member of the Malaysian Institute of Accountants (MIA)</td> </tr> <tr> <td>Experiences</td> <td>:</td> <td>Over 30 years of professional experience in audit, taxation, and business advisory, including more than 10 years as a partner in the Audit – Assurance service line of a Big Four firm. He has extensive exposure to SMEs and listed companies across various industries, including manufacturing, trading, property development, construction, and services. He has led engagements involving external audits of listed companies, corporate governance reviews and advisory, internal audits, due diligence, tax planning, and audit quality reviews. His experience also includes in-depth involvement in corporate governance</td> </tr> </table>	Principal Engagement Lead	:	Chong Ket Vui, Dusun	Qualification	:	Member of Malaysian Institute of Certified Public Accountants (MICPA) Member of the Malaysian Institute of Accountants (MIA)	Experiences	:	Over 30 years of professional experience in audit, taxation, and business advisory, including more than 10 years as a partner in the Audit – Assurance service line of a Big Four firm. He has extensive exposure to SMEs and listed companies across various industries, including manufacturing, trading, property development, construction, and services. He has led engagements involving external audits of listed companies, corporate governance reviews and advisory, internal audits, due diligence, tax planning, and audit quality reviews. His experience also includes in-depth involvement in corporate governance
		Principal Engagement Lead	:	Chong Ket Vui, Dusun							
Qualification	:	Member of Malaysian Institute of Certified Public Accountants (MICPA) Member of the Malaysian Institute of Accountants (MIA)									
Experiences	:	Over 30 years of professional experience in audit, taxation, and business advisory, including more than 10 years as a partner in the Audit – Assurance service line of a Big Four firm. He has extensive exposure to SMEs and listed companies across various industries, including manufacturing, trading, property development, construction, and services. He has led engagements involving external audits of listed companies, corporate governance reviews and advisory, internal audits, due diligence, tax planning, and audit quality reviews. His experience also includes in-depth involvement in corporate governance									

		assessments, with a particular focus on risk management frameworks, board oversight responsibilities, and the evaluation of internal control structures through the review of Statements on Risk Management and Internal Control disclosures.
	No. of resources	: KH has a team of approximately 60 full-time professionals, including 15 managers, led by 4 audit partners and 4 tax directors.
<p>The Internal Auditors performs their work by referring to a recognised framework, such as the International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors.</p> <p>The ARMC was satisfied with the competency, experience and resources of the internal audit function for discharging their roles and responsibilities.</p> <p>Further details of the internal audit activities are disclosed in the Audit and Risk Management Committee Report and Statement on Risk Management and Internal Control of the Annual Report 2025.</p>		
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of transparency and accountability in its communication with the Group's shareholders and maintains effective and timely communication with shareholders and other stakeholders to keep them informed on the Group's latest business developments and financial performance.</p> <p>Hence, the Company had formalised the Corporate Disclosure Policy to facilitate the communication with its stakeholders.</p> <p>To this end, the Group communicates appropriately information of the Group through various channels, including quarterly results and announcements made to Bursa Securities, Annual Reports, press releases and the Company's website at www.colform.com.my.</p> <p>The Group also has investor relations activities to facilitate effective communication with stakeholders including fund managers and analyst through dialogues, discussions and briefings.</p> <p>The Company's corporate website includes a dedicated Investor Relations section which provides all relevant information of the Group, including announcements, financial information and corporate governance. Contact details including telephone number, fax number and email address are also available on the Company's corporate website where stakeholders may direct their queries or concerns to the Company.</p> <p>The Corporate Disclosure Policy is available on the Company's website at www.colform.com.my.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The notice of the 1st AGM of the Company held on 29 May 2025 was sent to the shareholders and published on a nationally circulated newspaper on 30 April 2025 (i.e., at least twenty eight (28) days prior to the date of the 1st AGM). This also complies with the twenty-one (21) days' notice requirement as required under the Act.</p> <p>The notice for convening the 2nd AGM of the Company will be issued to the shareholders at least 28 days before the 2nd AGM of the Company, which gives shareholders sufficient time to prepare themselves to attend the 2nd AGM or to appoint a proxy to attend and vote on their behalf.</p> <p>By doing so, shareholders will have sufficient time to prepare and consider the resolutions that will be discussed and decided at the AGM and will be able to make informed decision when exercising their voting rights at the forthcoming 2nd AGM.</p> <p>The Notice of AGM will be accompanied with explanatory notes to shareholders regarding their entitlement to attend the AGM and their rights to appoint a proxy as well as detailed explanations for each resolution to be tabled at the AGM to enable shareholders to make informed decision in exercising their voting rights.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>All Directors of the Company attended the 1st AGM held on 29 May 2025. The senior management and External Auditors also attended the 1st AGM physically.</p> <p>During the proceedings of the 1st AGM, the Chairman invited shareholders to raise questions pertaining to the Company’s audited financial statements and the other agenda items tabled for approval at the meetings. All questions raised by the shareholders were answered and addressed accordingly.</p> <p>All the Directors of the Company will always endeavour to attend all general meetings and will provide meaningful responses to questions addressed to them.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The 1 st AGM was held physically. Where possible, the Company will make an effort to conduct its general meetings at a venue that is easily accessible for the convenience of the shareholders.	
	:	Alternatively, the shareholders who are not able to attend the physical general meetings, are encouraged to appoint the Chairman or any person(s) as their proxy(ies) to attend, participate, speak and vote at the meetings on their behalf.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application :	Applied
Explanation on application of the practice :	<p>The Annual General Meeting 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.</p> <p>The Chairman will encourage active participation from the shareholder at the 2nd AGM as an open platform by providing opportunities for shareholders to raise any questions on the Group. The Board will ensure that the Board, Senior Management as well as the Company Secretaries and External Auditors are available during the 2nd AGM to respond to any enquiries from the shareholders.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 13.5

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

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

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application :	Departure
Explanation on application of the practice :	
Explanation for departure :	The Summary of Key Matters discussed during the 1 st AGM was published on the Company's website at www.colform.com.my . The Board believes that the Summary of Key Matters discussed is sufficient for shareholders' information.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

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

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

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