

CORPORATE GOVERNANCE REPORT

STOCK CODE : 8567
COMPANY NAME : SALCON 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 ("the Board") of Salcon Berhad ("Salcon" or "the Company") is fully responsible for formulating policies, setting business strategies and directions, making key business decisions and the overall performance of the Group.</p> <p>In order to create and promote clear understanding of the functions of the Board and Management; a Board Charter, which clearly sets out these functions, has been developed.</p> <p>To facilitate effective management, certain functions of the Board have been delegated to various Board Committees, which review and make recommendations to the Board on specific areas. There are currently four (4) Board Committees appointed by the Board, namely:</p> <ul style="list-style-type: none">• Audit and Risk Management Committee ("ARMC");• Nomination Committee ("NC");• Remuneration Committee ("RC"); and• Sustainability Committee ("SC") <p>The roles and responsibilities of the Board and Management are adequately established and communicated to ensure accountability. Management is responsible for the day-to-day operations of the Group's activities and for achieving corporate objectives and goals, set by the Board.</p> <p>Although specific powers had been delegated to the Board Committees, the Board keeps itself abreast with relevant key issues and decisions via presentation of Board Committee's reports and minutes of meetings.</p> <p>Additionally, the duties and responsibilities of the Board, Chairman and Executive Directors ("EDs") are also set out in the Board Charter. The Board will periodically review the Board Charter and Terms of References ("TOR") for the respective Board Committees and make</p>

	<p>necessary amendments to ensure consistency with the Board objectives.</p> <p>The Board Charter and TOR are available on the company's website, www.salcon.com.my.</p> <p>The Board should assume, among others, the following responsibilities:</p> <ul style="list-style-type: none"> • together with Senior Management, promote good corporate governance culture within the Company which reinforces ethical, prudent and professional behaviour; • review, challenge and decide on management's proposals for the Company, and monitor its implementation by management; • ensure that the strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability; • supervise and assess management's performance to determine whether the business is being properly managed; • ensure there is a sound framework for internal controls and risk management; • understand the principal risks of the Company's business and recognise that business decisions involve the taking of appropriate risks; • set the risk appetite within which the Board expects Management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks; • ensure that Senior Management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of the Board and Senior Management; • ensure that the Company has in place procedures to enable effective communication with stakeholders; • ensure that all its Directors are able to understand financial statements and form a view on the information presented; and • ensure the integrity of the Company's financial and non-financial reporting.
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 1.2

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	:	Chairman of the Board Tan Sri Abdul Rashid bin Abdul Manaf, an Independent Non-Executive Director, is the Chairman of the Board and he leads the Board with dedication and focuses on compliance and good corporate governance practice. During the meetings, he encourages all members to actively participate in the meeting, for all matters raised for discussion. The Board also monitors various Board Committees' functions to ascertain effective performance of their responsibilities in accordance with their respective Terms of Reference. Detailed key responsibilities of the Chairman of the Board are stated in the Board Charter which is available on the Company's website, www.salcon.com.my .
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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>During the financial year ended 2025 ("FY 2025"), Tan Sri Abdul Rashid bin Abdul Manaf, an Independent Non-Executive Director, who is the Chairman of the Board, provides oversight over the Management and reflect the Company's commitment to uphold the corporate governance processes.</p> <p>Tan Sri Dato' Tee Tiam Lee and Dato' Leong Kok Wah are the Deputy Executive Chairman and Executive Director of the Company respectively. They are responsible for the overall business and the implementation of Board's policies and decisions.</p> <p>Thus, there is a clear and distinct division of responsibilities between the Chairman and the Executive Directors to ensure that there is an appropriate balance of power, division of role, responsibility and accountability at the Board level.</p> <p>Their roles and responsibilities are stated in the Board Charter which is available on the Company's website, www.salcon.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 :	Applied
Explanation on application of the practice :	<p>The Chairman of the Board is not a member of the Audit and Risk Management Committee, Nomination Committee, Remuneration Committee and Sustainability Committee.</p> <p>Thus, there is a clear and distinct division of responsibilities between the Chairman of the Board and the Committee to ensure that there is an appropriate balance of power, division of role, responsibility and accountability. Additionally, the Chairman of the Board also ensures that the Board Committees' meetings are conducted separately from the main Board's meetings to enable objective and independent discussion during the meetings.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by two (2) qualified Company Secretaries who have extensive years of experience in corporate secretarial practice. Both Company Secretaries are a member of Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and qualified to act as company secretaries under the Companies Act 2016.</p> <p>The main responsibilities of the Company Secretary are:</p> <ul style="list-style-type: none">• advising the Board on its roles and responsibilities;• facilitating the orientation of new directors and assisting ongoing training and development for all directors;• advising the Board on corporate disclosures and compliance with the Companies Act 2016 and Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities");• managing processes pertaining to the Company's general meetings;• monitoring corporate governance developments and assisting the Board in applying governance practices to meet the Board's needs and stakeholders' expectations; and• serving as a focal point for stakeholders' communication and engagement on corporate governance issues. <p>All Directors have unrestricted access to the advice and services of the Company Secretaries for the affairs of the Company and the Board. The Company Secretaries work with Management to update the Board on the relevant guidelines and changes to the statutory and regulatory requirements from time to time.</p> <p>The Board is satisfied with the performance and support rendered by the Company Secretaries in assisting the Board in the discharge of their duties.</p> <p>The Company Secretaries have constantly kept themselves abreast of the regulatory changes and developments in corporate governance through attendance at relevant conferences and training programmes.</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>Recognising the importance of sound and timely information flow to the Board, the dates of meetings are scheduled and confirmed by the Board members in advance.</p> <p>Notice of the meetings setting out the agenda is forwarded to all Directors, at least five (5) business days prior to the meetings. The said notice is then sent to the Management, including the deadline for submission of the meeting papers. Upon receipt from the Management, the meeting papers will be circulated at least five (5) business days in advance of the meetings to all Directors to ensure that the Directors have sufficient time and information to make an informed decision at each meeting.</p> <p>During the meeting, the Management presents the reports/results/matters that need attention by the Board, including financial performance and current progress status of all projects for the Board's consideration, discussion and decision.</p> <p>All issues discussed and decision made during the meetings will be duly recorded in the Minutes of meetings and be reviewed by the Board for completeness and accuracy. Thereafter, the Minutes of meetings will be confirmed by the Board's and Board Committees' members and be signed by the respective Chairman of meetings as a correct record.</p> <p>Senior Management, including Chief Operating Officer cum Chief Financial Officer ("COO & CFO") and Chief Executive Officer ("CEO") of Salcon Engineering Berhad are invited to attend the Board meetings for the purpose of briefing and/or providing further clarifications on various matters tabled to the Board for consideration, discussion and decision. Furthermore, the Directors are entitled to obtain independent professional advice at the expense of the Company, if and when necessary, in the discharge of their duties. This enables the Board to make informed decisions on corporate and business issues under consideration.</p> <p>If Directors are unable to attend a meeting, advance notice is given to the Board and Chairman.</p>

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

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied	
Explanation on application of the practice	:	The Company has a Board Charter and the relevant Terms of References of the respective Board Committees that clearly outlines the roles and responsibilities of the Board, Board Committees, Chairman, Executive Directors and Company Secretaries. Additionally, the Board Charter includes a Schedule of Matters Reserved for collective decision of the Board. The Board Charter and the Terms of Reference for the Board Committees are available on the Company's website, www.salcon.com.my .	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.1

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

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

Application	: Applied
Explanation on application of the practice	<p>The Board has adopted and implemented a Code of Ethics and Conduct ("COEC") throughout the Group. The COEC is regularly reviewed by the Board, with the most recent update aligned with the MMLR of Bursa Securities on the enhancement to Conflict of Interest and potential conflict and endorsed by the Board on 30 October 2024. It applies to all employees, including Directors, and adheres to high ethical standards of Integrity, Objectivity, Confidentiality, and Competency, while complying with all applicable laws and regulations that govern the Group's businesses and activities.</p> <p>The COEC emphasises ethical conduct in all aspects of the Groups' activities including conflicts of interests, privacy and confidentiality of information. The COEC also sets out prohibited activities or misconducts; such as acceptance of gifts, corruptions, dishonest behaviour, sexual harassment, etc.</p> <p>Additionally, the Board has adopted and implemented an Anti-Bribery and Anti-Corruption Policy ("ABAC Policy") throughout the Group in June 2020 to deal with improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business in order to prevent acts of bribery and corruption.</p> <p>During FY 2025, Internal Audit and Risk Management Department presented the second e-newsletter to the Board and subsequently issued to the Group and Subsidiaries to further promote awareness and reinforce understanding of Governance, Risk, Audit, and Integrity practices.</p> <p>The Group has adopted a zero-tolerance approach to all forms of corruption and bribery. The Company is committed to conduct its business with the highest level of integrity and ethics and to comply</p>

	with applicable laws, rules and regulations on anti-bribery and anti-corruption. The COEC and ABAC Policy are available on the Company's website, www.salcon.com.my .	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>There is a Whistleblowing reporting procedure to encourage transparency and accountability within the Group.</p> <p>The endorsed Whistleblowing Policy provides an avenue for all employees, vendors, contractors, suppliers, consultants, customers and stakeholders to raise concerns about any improper conduct within the Group, without fear of retaliation and to offer protection for the individual who report such allegations.</p> <p>Any employee or stakeholder who is aware that any improper conduct has been, is being, or is likely to be committed, is encouraged to report directly to the ARMC Chairman, via email to chansf8@yahoo.com.</p> <p>During the FY 2025, the ARMC's Chairman did not receive any report or complaint of misconduct or corruption from employees, management, public or stakeholders.</p> <p>The Whistleblowing Policy is available on the Company's website, www.salcon.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 recognises the importance of incorporating the Environment, Social and Governance (“ESG”) aspects throughout the business operations and has embedded sustainability considerations into the products and services of the Group. The Board Charter includes the Board’s responsibility to ensure that the strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability.</p> <p>A Sustainability Committee (“SC”) has been established, reporting directly to the Board, with the members listed below:</p> <ol style="list-style-type: none">1. Dato’ Rosli bin Mohamed Nor (Independent Non-Executive Director, Chairman of SC)2. Datin Goh Phaik Lynn (Non-Independent Non-Executive Director) – Appointed on 1 March 20263. Mr. Leong Yi Shen (Chief Operating Officer cum Chief Financial Officer)4. Mr. Jamiluddin Amini Bin Sulaiman (Chief Executive Officer of Salcon Engineering Berhad)5. Ms. Lee Lai Peng (Head of Corporate Affairs and Sustainability) – Appointed on 1 March 2025 <p>The objective of the SC is to provide advice and assistance to the Board on matters ensuring Group’s sustainable operations. This involves setting the tone and strategic direction in various areas identified by the Board which are applicable in the areas in which the Group operates and fostering sustainable growth by maintaining and enhancing the Group’s economic, environmental, social and technological capital over the long term. The Terms of Reference for the SC is available on the Company’s website, www.salcon.com.my.</p>

	<p>In addition, a Sustainability Working Group Committee (“SWGC”) comprises various department and business unit heads that report to SC has been established to facilitate the coordination of sustainability matters at a more operational level.</p> <p>The Group’s sustainability commitments are governed by Salcon’s Group Sustainability Framework. Guided by the sustainability framework, the Group’s material matters are based on the following five (5) key focus pillars:</p> <ol style="list-style-type: none"> 1. Business Model & Innovation 2. Leadership & Governance 3. Human Capital 4. Environment 5. Social Capital <p>Each focus pillar is supported by strategic goals and aligned with the United Nations Sustainable Development Goals (“SDGs”) and United Nations Global Compact ten principles. Measurable ESG targets are set and tracked for each focus pillar. Supported by the SC and SWGC, the Board takes an active role to address ESG material matters including climate change, corporate governance, human rights, occupational safety & health and etc.</p> <p>For FY 2025, in line with Malaysia’s National Sustainability Reporting Framework (NSRF), the Group has adopted IFRS S1 and IFRS S2 issued by the International Sustainability Standards Board (ISSB) using a phased, climate-first approach, and will progressively align its disclosures by applying the available transition reliefs.</p> <p>The Board requires reliable assurance regarding the effectiveness of sustainability risk management and reporting. Therefore, sustainability statement reviews are incorporated into annual internal audit plans. Our in-house internal auditors will provide assurance by collating, verifying, and validating sustainability information and data from subsidiaries in accordance with the Global Internal Audit Standards (GIAS), under which the International Professional Practices Framework (IPPF) forms a subset.</p> <p>The details of sustainability commitment and initiatives are disclosed in the Sustainability Statement on pages 68 to 119 of the Annual Report 2025.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	

Timeframe	:		
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Intended Outcome

The 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 Company conducts annual review and updates its materiality assessment to better reflect stakeholder concerns and the Company’s key sustainability risks and opportunities.</p> <p>The Company engages with group of stakeholders who has significant impact to the businesses via different engagement channels to understand their needs and expectations, identify gaps and formulate business strategies.</p> <p>The results of this review are disclosed/reported in the Sustainability Statement of the Annual Report in relation to each key material issue.</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 SC will hold meeting at least once a year to discuss on the following matters:</p> <ol style="list-style-type: none">1. The sustainability of the Company2. Sustainability governance structure & framework3. Guiding principles & latest disclosure requirements4. Materiality assessment review5. Taskforce on climate-related financial disclosure6. Alignment of SDGs7. Any other matters relevant to sustainability. <p>The Chairman of the SC will then present to the Board the pertinent issues discussed at the SC meeting for the Board's discussion and decision where applicable. This would enable the Board stay abreast with and understand the sustainability issues relevant to the Company and its business.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	The Board through the NC held on 26 February 2026 carried out a performance evaluation of the Board relating to sustainability on ESG for the period from 1 January 2025 to 31 December 2025. The Board was satisfied with the overall performance of the Board especially in addressing the Company's material sustainability risks and opportunities.	
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	:	<p>The Board is supported by the SC to oversee the Group’s sustainability strategies and performance. The Corporate Affairs and Sustainability Department (“CASD”) is tasked to look after sustainability and its related issues. The Head of CASD will coordinate between the SC and SWGC on matters relating to sustainability including sustainability framework, practices, strategic management, material sustainability risks and opportunities.</p> <p>The Internal and Audit Risk Management Department will provide assurance on the reporting of sustainability by the Group.</p>

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The process of assessing Directors is an ongoing responsibility of the Board. The objective of the annual assessment is to identify improvement opportunities, maximising strengths of Directors with the ultimate aim of enhancing the effectiveness of the Board, as well as to ensure the Board satisfies with the performance and contribution of the directors to drive and accomplish the mission and vision of the Company.</p> <p>During the FY 2025, the Board, via the NC, had assessed the effectiveness of the Board as a whole, the Board Committees, the contribution of each individual Director, independence of Independent Directors and the tenure of each Director.</p> <p>The NC also reviewed and evaluated the current composition of the Board, the need to bring new skills to the Board as well as the tenure of each Director of the Board before recommending to the Board for consideration and decision.</p> <p>On 26 February 2026, the NC has also assessed the performance of the director(s) who is subject for re-election at forthcoming the Annual General Meeting ("AGM") and is satisfied with their performance and contribution pursuant to the Fit and Proper Policy before making recommendation to the Board for consideration. After a satisfactory evaluation, recommended to the Board for the re-election of Tan Sri Dato' Tee Tiam Lee and Datin Goh Phaik Lynn at the forthcoming AGM to be held on 11 June 2026.</p> <p>Furthermore, at the same meeting, the NC, deliberated on the proposed appointment of Mr. Low Han Kee as an Independent Non-Executive Director ("INED") of the Company, as well as his membership in the Board Committees. In undertaking its review, the NC applied the criteria prescribed under the Company's Fit and Proper Policy.</p> <p>Upon completion of its assessment, the NC concluded that Mr. Low Han Kee meets the required standards of integrity, competency, experience, and professionalism, and has demonstrated sufficient time commitment to fulfil his duties effectively. The NC further determined that he is able to exercise independent judgement and act</p>

	in the best interests of the Company. The effective date of his appointment is 1 March 2026.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.2

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

Application	:	Applied																													
Explanation on application of the practice	:	<p>During the FY 2025 and up to the date of issue of this Corporate Governance Report, the composition of the Board is as follows: -</p> <table border="1"> <tr> <td>1</td> <td>Tan Sri Abdul Rashid bin Abdul Manaf</td> <td colspan="2">Chairman, Independent Non-Executive Director</td> </tr> <tr> <td>2</td> <td>Tan Sri Dato' Tee Tiam Lee</td> <td colspan="2">Executive Deputy Chairman</td> </tr> <tr> <td>3</td> <td>Dato' Leong Kok Wah</td> <td colspan="2">Executive Director</td> </tr> <tr> <td>4</td> <td>Mr. Chan Seng Fatt</td> <td colspan="2">Senior Independent Non-Executive Director</td> </tr> <tr> <td>5</td> <td>Dato' Rosli bin Mohamed Nor</td> <td colspan="2">Independent Non-Executive Director</td> </tr> <tr> <td>6</td> <td>Datin Goh Phaik Lynn</td> <td colspan="2">Non-Independent Non-Executive Director</td> </tr> <tr> <td>7</td> <td>Mr. Low Han Kee (appointment on 1 March 2026)</td> <td colspan="2">Independent Non-Executive Director</td> </tr> </table> <p>The Board's composition has fully complied with Paragraph 15.02 of Bursa Securities' MMLR, which stipulates that Independent Directors shall constitute at least one third (1/3) of the Board.</p> <p>The existing composition further fulfilled the MCCG Practice 5.2; with at least half of the board comprises independent directors. The Board is satisfied with the current Board composition and believes it will achieve the promotion of shareholders' interest and effective governance of the business. The biographical particulars of Directors are set out in the Profile of Board of Directors in the Annual Report 2025.</p>		1	Tan Sri Abdul Rashid bin Abdul Manaf	Chairman, Independent Non-Executive Director		2	Tan Sri Dato' Tee Tiam Lee	Executive Deputy Chairman		3	Dato' Leong Kok Wah	Executive Director		4	Mr. Chan Seng Fatt	Senior Independent Non-Executive Director		5	Dato' Rosli bin Mohamed Nor	Independent Non-Executive Director		6	Datin Goh Phaik Lynn	Non-Independent Non-Executive Director		7	Mr. Low Han Kee (appointment on 1 March 2026)	Independent Non-Executive Director	
1	Tan Sri Abdul Rashid bin Abdul Manaf	Chairman, Independent Non-Executive Director																													
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Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is aware of the recommendation of the MCCG on limiting the tenure of an Independent Director to not exceeding a cumulative of nine (9) years of service.</p> <p>In the FY 2025, all Independent Directors, except Mr. Chan Seng Fatt, have not exceeded a cumulative tenure of nine years on the Board.</p> <p>The NC and the Board have assessed the independence of Mr. Chan Seng Fatt and recommended that he continue to act as the Senior Independent Non-Executive Director of the Company based on the below justifications. Furthermore, shareholders have approved, through a two-tier voting process at the 22nd AGM held on 12 June 2025 the retention of Mr. Chan Seng Fatt as the Senior Independent Non-Executive Director.</p> <ul style="list-style-type: none">(i) Fulfilled the criteria of an Independent Director pursuant to Bursa Securities Listing Requirements;(ii) Familiar with the Company's business operations as he has been with the Company for a period of more than nine (9) years;(iii) Long tenure with the Company has neither impaired nor compromised their independent judgement. He is free from any business or other relationships which could interfere with his exercise of independent judgement. He continues to remain objective and are able to exercise independent judgement in expressing his views and in participating in deliberations and decision making of the Board and Board Committees in the best interest of the Company;(iv) Devoted sufficient time and attention to their responsibilities as a Senior Independent Non-Executive Director of the Company; and(v) Has exercised due care during his tenure as a Senior Independent Non-Executive Director of the Company and carried out his duties in the interest of the Company and shareholders.

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

Intended Outcome

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

Practice 5.4 - 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	:	Not applicable.

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has an experienced Board with extensive experience and diversified background.</p> <p>The Company Directors are professionals in the fields of construction and engineering, finance and accounting, banking, legal, insurance, hotel management, science economic and property investment. This diverse composition, bring wide range of competencies, capabilities, knowledge and technical skills, ensuring the Group remains competitive in the industry.</p> <p>The appointment to the Board is based on objective criteria, merit, contribution and with due regard for diversity in skills and experience. The NC is delegated with the responsibility of assessing and recommending to the Board, suitable candidates for appointment as director and Senior Management. Guided by the Fit and Proper Policy of the Company which was adopted on 26 May 2022 and Terms of Reference, the NC will assess and evaluate new appointment and re-appointment of Directors of the Group by looking at the candidates' background capabilities, expertise, experience, character, gender, age, integrity, time commitment and professionalism.</p> <p>The Board will continuously review/enhance the Board's composition in line with the evolving circumstances and needs of the Group given its size and business diversity.</p> <p>In assessing candidates for senior management, the NC and Board take into consideration of the challenges and opportunities of the Group, the leadership needs and the technical capabilities, experience and professional qualifications.</p> <p>The Company's Fit and Proper Policy and Terms of Reference of the NC are published on the Company's website at www.salcon.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 5.6

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 Board, through the NC, will review the suitability of the potential candidates prior to the appointment as Board members.</p> <p>The criteria that the NC took into the consideration, includes but not limited to; the background capabilities, expertise, experience, character, age, gender, integrity, time commitment and professionalism. The final decision as to which suitable candidate shall be nominated remains the responsibility of the Board after considering the recommendations of the NC. Selection of potential candidates for appointment as Directors; is facilitated through recommendations from existing Directors and/or external parties.</p> <p>On 26 February 2026, the NC deliberated on the proposed appointment of Mr. Low Han Kee as an Independent Non-Executive Director (“INED”) of the Company, as well as his membership in the Board Committees. In undertaking its review, the NC applied the criteria prescribed under the Company’s Fit and Proper Policy.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>The NC is delegated with the responsibility of assessing and recommending to the Board, suitable candidates for the appointment and re-appointment/re-election as Director, after taking into consideration the candidates' background capabilities, expertise, experience, character, gender, age, integrity, time commitment and professionalism.</p> <p>Any changes to the composition of the Board and Board Committee or Principal Officer are made known and kept informed to the shareholder and public through announcements made to Bursa Securities. Approval from shareholders is sought for any re-appointment/re-election of directors during AGM of the Company.</p> <p>At the forthcoming AGM, Tan Sri Dato' Tee Tiam Lee and Datin Goh Phaik Lynn will retire as Directors pursuant to Clause 76(3) of the Company's Constitution and Mr. Low Han Kee will retire as Director pursuant to Clause 78 of the Company's Constitution, being eligible, have offered themselves for re-election. The Directors' profiles are disclosed in the Directors' Profile on pages 120 to 123 of the Integrated Annual Report 2025.</p> <p>The Board's endorsement of the NC's recommendation as well as statement and justifications for the re-election of the Retiring Directors are provided in the Explanatory Notes on Ordinary Business in the Notice of AGM on page 270 of the Integrated Annual Report 2025.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure	:		
Timeframe	:		

Intended Outcome

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 comprises majority Independent Directors and is chaired by Mr. Chan Seng Fatt (Senior 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 5.9

The board comprises at least 30% women directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>During the FY 2025, the Board comprised one (1) female director, accounting for approximately 14.28% of its total members (1 out of 7 Directors).</p> <p>While the Company has not yet achieved the 30% women representation on the Board as recommended by the MCCG, the Board considers its current size and composition sufficient to ensure diverse perspectives and effective deliberations in decision-making.</p> <p>The Board has adopted a Board Diversity Policy, committing to the inclusion of at least one (1) qualified female director at all times. It is also focused on progressively achieving the 30% target by prioritising merit, along with a balanced mix of skills, experience, and expertise tailored to the Board's size and the Company's needs. The Board will continue to promote greater female representation, provided candidates demonstrate equal qualifications and capabilities.</p> <p>The Company's Board Diversity Policy is published on the Company's website at www.salcon.com.my.</p> <p>Please provide an alternative practice and explain how the alternative practice meets the intended outcome.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

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

Practice 5.10

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the benefits of a diversity in the Board's spectrum and has adopted a Board Diversity Policy (which include Gender Policy) whereby all appointment to the Board is based on objective criteria, merit, contribution and with the due regard for diversity in skills, experience, age and gender. The Board believes that a truly diversified Board will leverage differences in thought, perspective, knowledge, skill, professional experience, gender, will enhance the decision-making capabilities of the Board and achieve optimum Board performance.</p> <p>The Company has adopted an Equal Opportunity Employment Policy and an Anti-Sexual Harassment Policy to ensure that the Group continues to operate and promote equal opportunity in employment, as well as a healthy and safe environment for all employees, regardless of employment status, gender, or designations. These two (2) policies are available in Salcon Berhad's Employee Handbook.</p> <p>The Board has on 28 February 2024 adopted the Human Rights Policy, which among others include Women's Rights and Empowerment to foster the Group's gender diversity and upholding the rights of all employees. This policy is aligned with the Universal Declaration on Human Rights, International Labour Organisation's Core Conventions and Labour Standards.</p> <p>As part of the Group's commitment to corporate responsibility and making positive impact, the Company has engaged with elderly women community in FY 2025. This initiative was supported not only by the Company but also the collective efforts from employees as volunteers. By connecting with the community allows us to gain valuable insights into the challenges faced by elderly women in need, and actively contributing to improve their well-being.</p> <p>Currently, the Group does not have any specific measurable objective for achieving gender diversity in the Senior Management. Nevertheless, the Group is committed to promoting a culture of diversity in the workplace for better decision making and competitive advantage. As at 31 December 2025, the Group's workforce diversity was 61.5% male and 38.50% female.</p>

	<p>Although the Board does not have a specific policy on gender diversity for the Board and Senior Management, however the Board and NC are mindful of its responsibilities to conduct appointment processes for the Board and Senior Management in a manner that promotes gender diversity as per recommendation stated in the MCCG.</p> <p>The Board Diversity Policy is available for review on the Company's website at www.salcon.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

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 annual evaluation is conducted by the NC, for assessing the effectiveness of the Board as a whole, Board Committees, contribution of each individual Director and independence of Independent Directors as well as Senior Management.</p> <p>The evaluation was conducted on self and peer evaluation model through questionnaires that set out the assessment criteria, which covered areas such as the Board mix, Board composition, quality of information and decision making, Board activities, Boardroom activities and Board's relationship with management. For individual director, the assessment includes strategic leadership and orientation to results, teamwork and cooperation, personal qualities and time commitment.</p> <p>The NC also conducted the following review via questionnaire:</p> <ul style="list-style-type: none">(i) Audit and Risk Management Committee performance(ii) Independence of the Independent based on the criteria of "Independence" as prescribed in Bursa Securities Listing Requirements(iii) Fit and Proper for new appointment or re-election of director(iv) Performance of the Board relating to sustainability(v) Performance of Senior Management <p>The assessment results were reported to the NC for deliberation. Thereafter, the recommendations of the NC were tabled to the Board for discussion.</p> <p>Based on the results of assessment conducted for the FY 2025, the Board is satisfied with the performance of the Board, Board Committees, individual directors and Senior Management, the level of</p>

	<p>independence demonstrated by all Independent Non-Executive Directors and their abilities to act in the best interests of the Company during deliberations at the Board and Board Committee meetings.</p> <p>All evaluations carried out by the NC in discharging of its functions were properly documented.</p> <p>In addition, the NC assesses the training needs of each director on an annual basis and recommends the relevant trainings to the Directors for their participation. The NC is satisfied that the Directors have attended adequate trainings to enable them to discharge their duties.</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

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 via the RC, implements the policies and procedures on the recommendation and review of the remunerations for Board members and Senior Management.</p> <p>The Board believes that competitive remunerations enable the Company to attract, retain and motivate the Directors and Senior Management. The remuneration packages are aligned to corporate objectives and take into consideration the complexity of the Company's business operations with reference to an individual's responsibilities and achievements.</p> <p>Additionally, the Board also ensure that remunerations for Independent Directors; are not in conflict with their obligations to bring objectivity, professionalism and independence of opinions on matters discussed at Board meetings.</p> <p>The Directors' fee and benefits are recommended for shareholders' approval at the forthcoming AGM after being reviewed by the RC and the Board of Directors.</p> <p>The remuneration policy for Directors and Senior Management and Terms of Reference of RC are published on the Company's website at www.salcon.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>As of the date of issue of the CG Report, the RC comprises majority Independent Non-Executive Directors, namely: -</p> <p><u>Chairman</u> Mr. Chan Seng Fatt (Senior Independent Non-Executive Director)</p> <p><u>Members</u> Dato' Rosli bin Mohamed Nor (Independent Non-Executive Director) Datin Goh Phaik Lynn (Non-Independent Non-Executive Director) Mr. Low Han Kee (Independent Non-Executive Director, appointed on 1 March 2026)</p> <p>The duties and responsibilities of the RC are set out in the Terms of Reference of RC. The Terms of Reference of RC is available on the Company's website, www.salcon.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

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	:	Please refer to the table.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Tan Sri Abdul Rashid bin Abdul Manaf	Chairman, Independent Non-Executive Director	100	5	0	0	0	0	105	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Tan Sri Dato' Tee Tiam Lee	Executive Deputy Chairman	0	0	1,020	113.62	39.24	216.04	1,388.90	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Dato' Leong Kok Wah	Executive Director	0	0	809.38	90.43	24.90	187.98	1,112.69	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Mr. Chan Seng Fatt	Senior Independent Non-Executive Director	70	9.5	0	0	0	0	79.5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Dato' Rosli bin Mohamed Nor	Independent Non-Executive Director	70	7	0	0	0	0	77	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
6	Datin Goh Phaik Lynn	Non-Independent Non-Executive Director	70	6	0	0	0	0	76	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
7	Mr. Low Han Kee (Appointed on 1 March 2026)	Independent Non-Executive Director	-	-	-	-	-	-	-	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

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	:	The Board is of the opinion that it would not be in its best interest of the Company to make such disclosures of Senior Management's remuneration components (salary, bonus, benefits in-kind and other emoluments) in bands of RM50,000, in view of the competitiveness in the market for senior talents and to support the Company's effort in attracting and retaining highly talented personnel.	
		The Board endeavours to benchmark the remuneration package of the Senior management with the industry and to ensure that the remuneration is commensurate with the scope of work, and performance of the individual and the Company.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>As of the date of issue of the CG Report, the ARMC comprises majority of Independent Non-Executive Directors, namely: -</p> <p><u>Chairman</u> Mr. Chan Seng Fatt (Senior Independent Non-Executive Director)</p> <p><u>Members:</u> Dato' Rosli bin Mohamed Nor (Independent Non-Executive Director) Datin Goh Phaik Lynn (Non-Independent Non-Executive Director) Mr. Low Han Kee (Independent Non-Executive Director, appointed on 1 March 2026)</p> <p>The ARMC Chairman, Mr. Chan Seng Fatt, is not the Chairman of the Board.</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

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>In order to safeguard the independence and objectivity of the audit and risk management process, and to avoid potential influence over the audit and risk management as well as preparation of the Group's financial statement, MCGG requires a policy be put in place to require a former key audit partner to observe a cooling-off period of at least three (3) years, prior being appointed as member of the ARMC.</p> <p>The Company did not appoint former key audit partner as the member of ARMC.</p> <p>The above policy was adopted and reflected in the Terms of Reference of the ARMC which is available on the Company's website at www.salcon.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 ARMC has the responsibility to annually assess the capabilities and independence of the External Auditors ("EA"), and make subsequent recommendation to the Board on the appointment, re-appointment, removal or termination of EA.</p> <p>The effectiveness, performance and independence of the EA, Messrs KPMG PLT ("KPMG"), is reviewed annually by the ARMC.</p> <p>During the annual assessment, the ARMC will consider:</p> <ul style="list-style-type: none">• Suitability, competence, audit quality, independence and resource capacity of the EA in relation to the audit;• Nature and extent of audit and non-audit services rendered, inclusive of appropriateness of level of fees;• Written assurance from EA confirming their independence throughout conduct of the audit including all level of professional and regulatory requirements. <p>Such evaluation criterion has been incorporated in the Term of Reference of the ARMC, which is made available on the Company's website, www.salcon.com.my.</p> <p>KPMG has been appointed as the EA since 2003, and have given written confirmation that they are independent in providing both audit and non-audit services.</p> <p>The ARMC held on 28 February 2025, reviewed the suitability and independence of KPMG, and is satisfied with the performance and independence of KPMG. The Board, at the recommendation of the ARMC approved to table the re-appointment of KPMG as EA of the Company at the 22nd AGM for shareholders' approval.</p> <p>During the FY 2025, KPMG had attended two (2) out of five (5) ARMC meetings held on 28 February 2025 and 27 November 2025, to discuss their audit plan, findings and financial statements. KPMG further highlighted the matters that required ARMC's attention and remedial actions that are to be undertaken within an appropriate time frame.</p>

	<p>The EA also met the ARMC without the presence of the Executive Directors and employee, to provide objective feedback on any issues of concern and pertinent matters.</p> <p>The ARMC has considered the provision of non-audit services by the EA, and concluded that these services did not compromise with their independence and objectivity; as compared to the total audit fees, the amount of the non-audit fees paid were not significant.</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

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 :	Not Adopted
Explanation on adoption of the practice :	

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's members possess various experience, knowledge and wide range of necessary skills in order to discharge their fiduciary duties.</p> <p>All members of the ARMC are able to understand, analyse and when necessary, challenge the matters and issues under the purview of ARMC, including the financial reporting process. The Chairman of the ARMC is a Chartered Accountant with the Malaysian Institute of Accountants. Thus, the Company is in compliance with Paragraph 15.09(1)(l)(i) of the MMLR of Bursa Securities.</p> <p>All members of the ARMC had undertaken professional development (i.e. training courses) to keep themselves abreast with requirements and standards especially on changes in regulatory requirements.</p> <p>The details of development courses attended during the FY 2025 are as stated below:</p> <table border="1"><thead><tr><th>No.</th><th>Audit Committee</th><th>Training/Programme/Conference/Seminar/Workshop</th></tr></thead><tbody><tr><td>1</td><td>Mr. Chan Seng Fatt (Chairman)</td><td>1) International Regulatory Conference 2025</td></tr><tr><td></td><td></td><td>2) ASEAN Economic Opinion Leaders Conference (MITI)</td></tr><tr><td></td><td></td><td>3) ASEAN-China Media and Think Thank Forum</td></tr><tr><td></td><td></td><td>4) ASEAN Business Forum</td></tr><tr><td></td><td></td><td>5) ASEAN Amidst Shifting Global Order</td></tr><tr><td></td><td></td><td>6) Digital Media Asia 2025</td></tr><tr><td></td><td></td><td>7) ASEAN Chinese Business Leaders Summit</td></tr></tbody></table>	No.	Audit Committee	Training/Programme/Conference/Seminar/Workshop	1	Mr. Chan Seng Fatt (Chairman)	1) International Regulatory Conference 2025			2) ASEAN Economic Opinion Leaders Conference (MITI)			3) ASEAN-China Media and Think Thank Forum			4) ASEAN Business Forum			5) ASEAN Amidst Shifting Global Order			6) Digital Media Asia 2025			7) ASEAN Chinese Business Leaders Summit
No.	Audit Committee	Training/Programme/Conference/Seminar/Workshop																								
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		6) Digital Media Asia 2025																								
		7) ASEAN Chinese Business Leaders Summit																								

			8) Asia ESG Summit 2025 – Future Ready Asia: Driving Sustainability Impact
	2	Dato’ Rosli bin Mohamed Nor (Member)	1) Updates on Sustainability Related – Reporting Requirements
	3	Datin Goh Phaik Lynn (Member)	1) Asia ESG Summit 2025 – Future Ready Asia: Driving Sustainability Impact 2) Updates on Sustainability Related – Reporting Requirements
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is ultimately responsible for all aspects of the Group’s internal controls. Thus, the Board has established a sound system of internal controls and risk management framework.</p> <p>The Risk Management and Internal Control framework details processes, procedures and controls for financial, operation and compliances and risk management. The internal controls which are embedded into the operations of the Group, had been in place and practiced throughout the year.</p> <p>The Board is assisted by the Audit and Risk Management Committee (ARMC) and the Risk Management Working Group (RMWG), which work together to identify and evaluate any potential risks, to determine the Group’s risk tolerance, and implement measures to mitigate the identified risks, thereby safeguarding the investments and assets of the Group's shareholders.</p> <p>Details of the risk management framework, internal control system and activities carried out, are set out in the Statement of Risk Management & Internal Control (“SORMIC”) on pages 140 to 145 of the Integrated Annual Report 2025.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied	
Explanation on application of the practice	:	Details of the risk management framework, internal control system and activities carried out, are set out in the SORMIC on pages 140 to 145 of the Integrated Annual Report 2025. The Board, as a whole would continue to monitor and review the effectiveness and adequacy of the Group's risk management and risk appetite to ensure they continue to be resilient and reliable.	
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	:	Adopted
Explanation on adoption of the practice	:	During the FY 2025 and up to the date of issue of this Corporate Governance Report, the ARMC comprises a majority of Independent Non-Executive Directors, namely: - <u>Chairman</u> Mr. Chan Seng Fatt (Senior Independent Non-Executive Director) <u>Members:</u> Dato' Rosli bin Mohamed Nor (Independent Non-Executive Director) Datin Goh Phaik Lynn (Non-Independent Non-Executive Director) Mr. Low Han Kee (Independent Non-Executive Director, appointed on 1 March 2026)

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The internal audit function is carried out by the in-house Internal Audit and Risk Management Department (“IARMD”). The IARMD functionally report directly to the ARMC and administratively to the Executive Director, providing feedback in managing the key risks and ascertaining the adequacy and integrity of the Group’s internal control and risk management system.</p> <p>On 28 February 2025, the ARMC approved the audit plan and applicable scope of works for year 2025, and further evaluated Internal Audit Function’s performances for year 2024. The assessment parameters also include the competency of the Head of Internal Audit and Risk Management, sufficiency of manpower and budget allocations, limitations on areas of review and others. During the FY 2025, a total of ten (8) audit assignments and other tasks were conducted as follows:</p> <ul style="list-style-type: none">a) Reviewed and assessed the effectiveness of internal controls over key operational processes of the respective business units by using a risk-based methodology, according to the approved internal audit annual plan;b) Reviewed the related party transaction (“RPT”) for the group;c) Reviewed internal control over data collections to provide assurance on the accuracy and relevance of ESG data and disclosure in the sustainability report;d) Performed enterprise risk assessment for business division and selected support units; ande) Participated in Risk Culture Award 2025 organised by Malaysia Association and Risk Insurance Management (MARIM).f) Conduct Anti-Bribery Awareness Session for the Group and Subsidiaries. <p>The planned audit assignments were selected based on an assessment of the audit universe, risk-based prioritisation, value-based prioritisation, and any audit requests from the Management and Board of Committee. In addition, the IARMD also assists the Company in carrying out investigations on allegations and complaints received via the whistle-blow platform, if any.</p>

	The information on the ARMC's assessment on the internal audit functions is available within the SORMIC and ARMC Report of the Integrated Annual Report 2025.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>All members of the Internal Audit and Risk Management Department (IARMD) have signed an annual declaration affirming their independence, objectivity, and that they are free from any family relationships with the Directors and/or major shareholders of Salcon and its subsidiaries.</p> <p>The IARMD discharged its responsibilities through risk-based audits and reviews in line with the Global Internal Audit Standards (GIAS), under which the International Professional Practices Framework (IPPF) forms a subset and the internal control framework established by the Committee of Sponsoring Organisations of the Treadway Commission (COSO). All Internal Audit members are registered members of the Institute of Internal Auditors Malaysia (IIAM). The Department also conducted risk management assessments generally in compliance with ISO 31000:2018 – Risk Management Guidelines.</p> <p>Mr. Lee Jian Xun is the Head of the Internal Audit and Risk Management Department (IARMD). He is a Fellow Certified Practising Accountant (FCPA Australia), Chartered Accountant of the Malaysian Institute of Accountants (CA(M)), ASEAN Chartered Professional Accountant (ASEAN CPA), Professional Member of the Institute of Internal Auditors Malaysia (IIAM), a Certified Lead Auditor for ISO 37001:2025 and a Certified ISO 31000:2018 Risk Manager.</p> <p>He possesses 14 years of professional experience in external and internal audit functions, having served Government-Linked Companies and Public Listed Companies. His professional exposure also includes international audit and assurance engagements in Australia and Vietnam.</p> <p>The Head of the IARMD supervises six (6) internal audit and risk management personnel and assisted by an administrative staff. All internal audit and risk management staff are equipped with diverse qualifications as shown table below:</p>

Qualifications	No. of IARM Staffs	%
Baccalaureate	6	100
Professional Qualification (ACCA, GARP-FRM)	2	33
Certified ISO (ISO 37001, ISO 31000)	1	17
Professional Membership (IIA Malaysia)	4	66%
Total	6	

During the FY 2025, the IARM staffs attended trainings to keep abreast with the developments in the profession, relevant industry and regulations. The details of training/programme/conference/seminar/workshop attended during the FY 2025 are as stated below:

No.	IARM Staffs	Training/Programme/Conference/Seminar/Workshop
1	Mr. Lee Jian Xun (Head of Department)	1) Managing Recurring Related Party Transaction. 2) ESG/ERM Risk Masterclass. 3) National Institute of Occupational Safety and Health (NIOSH). 4) IFRS S1 & S2. 5) Certified ISO 31000:2018 6) Anti-Bribery Management System (ABMS) ISO 37001:2025.
2	Ms. Janice Leong (Internal Audit - Asst. Manager)	1) National Institute of Occupational Safety and Health (NIOSH). 2) IFRS S1 & S2.
3	Hung Dao Xiong (Internal Audit - Asst. Manager)	1) Managing Recurring Related Party Transaction. 2) National Institute of Occupational Safety and Health (NIOSH).
4	Ms. Siti Khairiah (Internal Audit - Executive)	1) National Institute of Occupational Safety and Health (NIOSH). 2) Conference Asia ESG Summit 2025 – Future Ready Asia: Driving Sustainability Impact.
5	Ms. Foo See Yee (Risk & Integrity – Senior Executive)	1) National Institute of Occupational Safety and Health (NIOSH). 2) IFRS S1 & S2. 3) Certified Financial Risk Management. 4) Anti-Bribery Management System (ABMS) ISO 37001:2025. 5) Introduction to ESG Principles.
6	Nicole Wong Xuan Wei (Risk & Integrity - Executive)	1) Construction Safety and Health Induction Course (CIDB). 2) Introduction to ESG Principles.

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

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group has a wide range of stakeholders who are interested in the Group's business strategies, corporate directions and operation activities. Thus, the Group wishes to establish strong relationships via different platforms. The purpose is to understand the stakeholders' needs and to communicate in a very transparent manner.</p> <p>The Board reviews and approves all quarterly financial results and other material announcements prior to public release. The Company announces its unaudited quarterly results and audited financial statements within the mandatory period. The information is publicly released via Bursa Link and on the Company's website on timely basis to ensure effective dissemination of information related to the Group by the Company Secretary or Corporate Affairs and Sustainability Department ("CASD"). The Company had established alternative platforms such as social media (e.g. Facebook and LinkedIn) to reach out to a broader range of public, shareholders and interested parties.</p> <p>The notice of general meetings, proxy form, Annual Report, Circulars to shareholders and minutes of the general meetings are also published on the Company's website.</p> <p>To ensure that communications to the public are timely, factual, accurate and complete, the Communications Policy was established to outline the principles and practices in any communications between the Company with internal/external stakeholders, obligatory disclosures and media.</p> <p>The Policy further details authorised spokesperson(s) who are approved to discuss the Company matters with news media, investment communities or industry analysts.</p> <p>The Company's CASD monitors applicable platforms on a daily basis and directs all enquiries to the relevant subsidiaries, divisions or departments for ensuring that all enquiries are responded to, soonest possible.</p>

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

Intended Outcome

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

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

Practice 12.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Company had started Integrated Reporting in Annual Report 2020, guided by principles and content elements of the International Integrated Reporting Framework of the International Integrated Reporting Council. Integrated reporting is an on-going journey and the Company will continue improving its Integrated Reports to be in line with global best practices.	
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 Board encourages all shareholders to attend and actively participate in the AGM and EGM and engage in discussions pertaining to the Group's business activities and affairs.</p> <p>The Notices of AGM and EGM outline resolutions to be tabled for discussion before being placed for voting during the general meetings. The notes to the Notices of AGM and EGM also provided detailed explanation for each proposed resolution. It is essential that the Notices of AGM and EGM are provided to shareholders in a timely manner, allowing sufficient time for them to consider the resolutions, prior to the meetings.</p> <p>Thus, the Notices of the 22nd AGM and EGM held on 12 June 2025 were issued on 30 April 2025 and 13 May 2025 respectively. The Notice of the 22nd AGM was issued more than twenty-eight (28) days prior to the meeting, while the Notice of the EGM was issued in excess of the prescribed notice period. Both Notices were advertised in a nationally circulated newspaper and made available on the Company's website.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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>The Board acknowledged their responsibilities and stewardship to all shareholders with continuous engagements and direct communications during the general meetings.</p> <p>All Directors, Senior Management, External Auditors and Company Secretary attended the 22nd AGM and EGM held on 12 June 2025 to provide meaningful responses to questions addressed to them.</p> <p>The Chairman of the meeting encouraged shareholders to raise questions during the AGM and EGM before putting resolutions to vote.</p> <p>The minutes of the AGM and EGM were published on the Company's website at www.salcon.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

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Company held its 22nd AGM and EGM on Thursday, 12 June 2025 physically at Glenmarie Ballroom A, Glenmarie Hotel & Golf Resort, No. 1, Jalan Usahawan U1/8, Seksyen U1, 40250 Shah Alam, Selangor, Malaysia.</p> <p>For shareholders who were unable to attend the general meetings, they are allowed to appoint any person(s) as their proxies to attend, participate, speak and vote in their stead by lodging proxy form at the Share Registrar's office or electronically via TIIH Online website provided by the Share Registrar not less than forty-eight (48) hours before the time appointed for holding the AGM and EGM. The detailed administrative notes for the 22nd AGM and EGM were circulated to all shareholders and published on Company's website at www.salcon.com.my to assist and guide the shareholders on the registration and voting.</p> <p>During the AGM and EGM, before proceeding further with the agendas, the Chairman explained the procedures to be followed in tabling and approving each of the resolutions. Shareholders were also briefed on the poll procedures and voting in relation to the proposed resolutions put to the meetings.</p> <p>The voting at the 22nd AGM and EGM was conducted by poll on all resolutions in accordance with Paragraph 8.29A of the MMLR. The Company had appointed Tricor Investor & Issuing House Sdn. Bhd. as Poll Administrator to conduct the polling process and Coopers Professional Scrutineers Sdn. Bhd. as Independent Scrutineers to verify the poll results.</p> <p>After verification by the Independent Scrutineers, the Chairman announced the poll results during the meetings and declared that all the resolutions were carried. Pursuant to the MMLR, the poll results</p>

	<p>were also announced by the Company via Bursa Securities on the same day of the 22nd AGM and EGM for the benefit of all shareholders.</p> <p>To promote inclusive and fair engagement, the Company will hold its forthcoming 23rd AGM physically, enabling shareholders and/or proxies to participate fully without reliance on technology.</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

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.

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.

Application	:	Applied
Explanation on application of the practice	:	<p>For the 22nd AGM and EGM, shareholders were invited to submit questions in advance prior to the general meetings via TIIH Online website.</p> <p>Questions that were submitted prior to the 22nd AGM and EGM and those that were posed during the meeting were addressed during the meetings by the Chairman, Executive Directors and/or senior management.</p> <p>The proceedings of the 22nd AGM and EGM and key matters discussed were recorded in the minutes of meeting including questions raised and the answers provided thereto, were made available on the Company's website at www.salcon.com.my within thirty (30) business days after the conclusion of the general meetings.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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	: The Company's 22 nd AGM and EGM were held physically at Glenmarie Ballroom A, Glenmarie Hotel & Golf Resort, No. 1, Jalan Usahawan U1/8, Seksyen U1, 40250 Shah Alam, Selangor, Malaysia. In the absence of shareholders, proxies were allowed to vote in the general meetings. During the AGM and EGM, shareholders who participated in the meeting were able to raise their queries using the readily available microphone and the Chairman, Executive Directors, and/or Senior Management addressed the questions during the general meetings.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
Application	:	Applied
Explanation on application of the practice	:	The Minutes of the 22 nd AGM and EGM held on 12 June 2025 detailing the meeting proceedings including issues or concerns raised by shareholders and responses by the Company were published on the Company’s website at www.salcon.com.my , no later than thirty (30) business days after the date of 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	:	

**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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