CORPORATE GOVERNANCE REPORT

STOCK CODE	**:**	8044
COMPANY NAME	**:**	COMPUTER FORMS (MALAYSIA) BERHAD ("CFM" OR "THE COMPANY")
FINANCIAL YEAR	**:**	February 28, 2026

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE
Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA
Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	The Board of Directors ("the Board") is responsible for the performance and affairs of the Company and its subsidiaries ("Group"), including practising a high level of good governance. All Board members are expected to show good stewardship and act in a professional manner as well as upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities. The Board has the responsibility of leading and directing the Group towards realising long-term corporate objectives and increasing shareholders' value. The Board retains full and effective control of the Group's strategic plans, implements an appropriate system of risk management and ensures the adequacy and integrity of the Group's system of internal control. In discharging its fiduciary duties and leadership functions, the Board is guided by the Board Charter which sets out the principles and guidelines that are to be applied by the Board. In order to ensure the effective discharge of its fiduciary duties, the Board has also delegated certain responsibilities to the Board Committees, all of which operate within their respective Terms of Reference ("TOR"). The Board assumes, among others, the following responsibilities: (i) Overseeing and evaluating the conduct, governance and sustainability of the businesses of the Group. (ii) Reviewing and adopting the overall strategic direction, business plans, and annual budgets of the Group, including major capital commitments.

	(iii) Establishing key performance indicators and to ensure that senior management has the necessary skills and experience for the orderly succession of the board and senior management. (iv) Reviewing and approving new ventures, major acquisitions and disposal of undertakings and properties. (v) Identifying principal risks and ensuring implementation of appropriate systems to manage and monitor significant financial and non-financial risks. (vi) Reviewing the adequacy and integrity of the Group's internal control systems, risk management and management information systems. (vii) Overseeing the development and implementation of the shareholder communications policy for the Company. In order to inculcate good values and ethical standards, the Board has also adopted a Code of Conduct and Ethics which serves as an internal frame of reference for the Directors and employees of the Group in the conduct of their daily activities.
Explanation for departure :	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.	
Measure :	
Timeframe :	

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

Practice 1.2
A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

<table>
<tr><td>Application :</td><td>Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td>The Chairman of the Board, Tan Sri Datuk Seri (Dr) Mazlan Bin Lazim is responsible for leading the Board to ensure its effectiveness and integrity, as well as fostering good corporate governance practices within the Group.

The role of the Chairman of the Board is stated clearly in the Board Charter, which is available on the Company's website at www.cfm.com.my.

The responsibilities of the Chairman, amongst others, are as follows:

(i) To provide leadership to the Board.
(ii) To oversee the effective discharge of the Board's supervisory role.
(iii) To facilitate the effective contribution of all Directors.
(iv) To conduct and chair Board meetings and general meetings of the Company.
(v) To manage Board communications and Board effectiveness and effective supervision over management.
(vi) To ensure that quality information to facilitate decision making is delivered to the Board in a timely manner.
(vii) To ensure Board Meetings and general meetings are conducted/held in compliance with good conduct and best practices.
(viii) To promote constructive and respectful relations between Board members and between the Board and the management.
(ix) Together with the Executive Directors, represents the Company and/or Group to external groups such as shareholders, creditors, consumer groups, and local governments.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td></td></tr>
<tr><td></td></tr>
<tr><td colspan="2">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
</table>

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	:	The position of the Independent Non-Executive Chairman and the Executive Directors are assumed by Tan Sri Datuk Seri (Dr) Mazlan Bin Lazim, Mr. Tan Kok Hui and Ms. Florence Wong Wei Wei, respectively. The roles and responsibilities of the Chairman and the Executive Directors are distinct and separate to ensure there is a balance of power and authority. The Executive Directors have the overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions. The Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board, whereas the Executive Directors have overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions. The Executive Directors are also accountable to the Board for the overall organisation, management and staffing of the Company and/or the Group as well as the procedures in financial and other matters, including conduct and discipline. The distinct and separate roles and responsibilities of the Chairman and Executive Directors are clearly stated on the Board Charter, which is available on the Company's website at www.cfm.com.my.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.4

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

<table>
<tr><td colspan="4">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'.</td></tr>
<tr><td>Application</td><td>:</td><td colspan="2">Departure</td></tr>
<tr><td>Explanation on application of the practice</td><td>:</td><td colspan="2"></td></tr>
<tr><td rowspan="2">Explanation for departure</td><td rowspan="2">:</td><td colspan="2">Tam Sri Datuk Seri (Dr) Mazlan Bin Lazim, the Chairman of the Board was appointed as a member of the Audit Committee ("AC"), Nomination Committee ("NC") and Remuneration Committee ("RC") on 31 December 2025.</td></tr>
<tr><td colspan="2">The Chairman of the Board has no conflicts of interest in relation to the Group, nor any family ties with Directors or major shareholders that could compromise his independence or judgment. The Board believes that, given the diverse skills and competencies of its members particularly the Independent Directors, the Chairman's participation at the committee level should be guided by his ability to contribute effectively while maintaining objectivity. The Board is satisfied that the Chairman's involvement in committees does not diminish the independence or impartiality in reviewing and assessing committee reports.</td></tr>
<tr><td colspan="4">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure</td><td>:</td><td colspan="2"></td></tr>
<tr><td>Timeframe</td><td>:</td><td></td><td></td></tr>
</table>

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 :	The Group is currently outsourcing the corporate secretarial function to Cospec Management Services Sdn. Bhd. ("CMS"). The Board is supported by two (2) Company Secretaries nominatd by CMS who are experienced and qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016 ("Act") and are also registered holders of the Practicing Certificate issued by the Companies Commission of Malaysia. The Board acknowledges that the Company Secretaries play an important role and will ensure that the Company Secretaries fulfil the functions for which they have been appointed. The Company Secretaries play an important role in facilitating the overall compliance with the Act, Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), Malaysian Code on Corporate Governance ("MCCG") and other relevant laws and regulations. The Company Secretaries also assist the Board and Board Committees to function effectively and in accordance with their TOR and best practices and ensure adherence to the existing Board policies and procedures. In order to discharge the roles effectively, the Company Secretaries have been continuously attending the necessary training programmes, conferences, seminars and/or forums so as to keep themselves abreast with the latest developments in the corporate governance realm and changes in regulatory requirements that are relevant to their profession and enable them to provide the necessary advisory role to the Board. The Board has direct access to the professional advice and services of the Company Secretaries and their team when performing their duties and discharging their responsibilities. The Company Secretaries had conducted briefings on key amendments to the Listing Requirements of Bursa Securities, in order to keep the Board abreast of the latest developments in the Listing Requirements of Bursa Securities and governance matters.

	During the financial period under review, the Board and Board Committees meetings were properly convened, and accurate and proper records of the proceedings and resolutions passed were taken and maintained in the statutory records of the Company. Overall, the Board is satisfied with the service and support rendered by the Company Secretaries and their team to the Board in the discharge of their functions.
Explanation for departure :	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.	
Measure :	
Timeframe :	

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

Practice 1.6
Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

<table>
<tr><td>Application :</td><td>Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td>To facilitate Directors' planning, the Company Secretaries prepare an annual meeting calendar in advance of each calendar year. The calendar sets out scheduled dates for Board, Board Committee meetings and Annual General Meeting ("AGM"). The closed periods for dealings in securities by Directors and principal officers based on the scheduled dates of meetings for making announcements of the Group's quarterly results were also provided therein.

Notices of meetings and accompanying papers are generally provided to Directors at least five (5) business days in advance, ensuring sufficient time for review and informed decision-making. For urgent matters arising between scheduled meetings, decisions may be obtained via ad-hoc meetings or written resolutions, supported by relevant papers. All written resolutions are subsequently tabled for notation at the next Board meeting.

The deliberations and decisions of Board and Committee meetings are accurately recorded in minutes, which are circulated to the respective Chairman within a reasonable timeframe for review. Minutes reflect the discussions, decisions, and any abstentions by Directors. Records of proceedings and resolutions are maintained at the Company's registered office.

All Directors have full and unrestricted access to timely information on the Group. They are also entitled to seek independent professional advice at the Company's expense when necessary to discharge their duties effectively.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td></td></tr>
<tr><td></td></tr>
<tr><td colspan="2">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td></td></tr>
</table>

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 Board has formalised and adopted a Board Charter. The Board Charter is intended to identify the role, structure and processes related to the key governance activities of the Board. It also serves as a reference point for Board activities. It is designed to provide guidance and clarity to Directors and Management with regards to the roles of the Boards and its Committees, the role of the Chairman and Executive Directors, the requirements of Directors in carrying out their roles and in discharging their duties towards the Company as well as the Board's operating practices. The Board Charter will be reviewed and updated as and when necessary to ensure it remains consistent with the Group's policies and procedures, the Board's overall responsibilities as well as changes to legislation and regulations. The Board Charter is available on the Company's website at www.cfm.com.my.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
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	:	The Board has established a Code of Conduct and Ethics which sets out the principles and standards of business conduct of the Group. The Code of Conduct and Ethics is available on the Company's website at www.cfm.com.my. The Code of Conduct and Ethics is to assist and guide all directors, officers and employees of the Group in defining ethical standards and conduct at work. The Code of Conduct and Ethics includes among others, the following areas: • Compliance with laws, rules and regulations; • Corporate governance; • Conduct of business and fair dealing; • Conflicts of interest; • Use of company funds, assets and information; • Use of non-public information and disclosure; • Social responsibilities and the environment; and • Whistle blowing. The Board will review the Code of Conduct and Ethics from time to time to ensure that it continues to remain relevant and appropriate.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		

Measure :		
Timeframe :		

Intended Outcome
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	:	The Board has adopted a Whistle Blowing Policy to provide an avenue for Directors, employees and external parties to raise concerns about possible improprieties, unethical or illegal activities within the Group. The Board will review and update the Whistle Blowing Policy at least once every three (3) years to ensure its effectiveness and consistency with the governing legislation and regulatory requirements. The Whistle Blowing Policy is available on the Company's website at www.cfm.com.my.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

Practice 4.1
The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

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

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

Application :	Applied
Explanation on application of the practice :	The Board acknowledged the importance of incorporating sustainability considerations into the Company's business and corporate activities, and how sustainability is essential to successful business strategies that could deliver sustainable value to all stakeholders and ultimately boost the business performance of the Company. The Board together with the Management takes responsibility for the governance of sustainability in the Company, including setting the Company's sustainability strategies, priorities and targets. The Board and the Management integrate Environmental, Social and Governance (ESG) factors into their investment decision-making process and the Group's overall strategy and operations to promote and build sustainability momentum within the Group. In line with the recommendation of the MCCG, the Board takes into consideration the Company's performance in managing material sustainability risks and opportunities when determining the appropriate level of remuneration for Directors and Senior Management. Further details of the sustainability practices are disclosed in the Sustainability Statement of the Annual Report of the Company for the financial period ended 28 February 2026 ("FPE 2026") ("Annual Report 2026").
Explanation for departure :	

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

Intended Outcome
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 :	The Board is cognisant of the fact that the Company's internal and external stakeholders should receive an unfiltered and complete view of the Company's sustainability strategies, priorities, targets and overall performance. This information should be comprehensive and include information on which stakeholders would be able to assess the Company's sustainability risks and opportunities. The Company has engaged with stakeholders in a variety of ways which had been done at both the business units and Group levels through formal and informal activities. The collective opinions and insights from the stakeholders help the Board make an informed decision while aligning the stakeholders' expectations with the Company's sustainability priorities and business approach. Details pertaining to the stakeholders' engagement are available in the Sustainability Statement in the Annual Report 2026.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
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.

<table>
<tr><td>Application :</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">The Board, through the NC, assesses the training programmes attended by each of the Directors during the financial period to ensure that they keep abreast with the relevant developments in the business environment as well as the relevant regulatory requirements.

The key training programmes attended by each of the Directors in the FPE 2026 are set out in the Corporate Governance Overview Statement of Annual Report 2026.

The Company Secretaries and their team regularly update the Board on the changes in the Listing Requirements of Bursa Securities and/or other regulatory requirements upon receiving the circulars from Bursa Securities and/or other regulators, which are relevant to the Company, and provide advice on corporate disclosures and compliances issues.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

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 and the Senior Management have performed their respective roles in addressing material sustainability risks and opportunities. The performance evaluation of the Board in addressing the Group's strategic and business plans which promote sustainability materials matters was evaluated through the annual Board's effectiveness evaluation for the FPE 2026. Whereas for the Senior Management team, it is part of their key performance indicators which are reviewed annually.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

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

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.		
Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	The NC oversees the overall composition of the Board in terms of size, a mix of skills, experience and core competencies, as well as the balance between Executive Directors and Independent Non-Executive Directors. The effectiveness of the Board as a whole and the contribution of each Director to the effectiveness of the Board and the contribution of the Board's various committees will be assessed on an annual basis. The Board is fully aware that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years as recommended by the MCCG. However, if the Board intends to retain a Director who has served as an Independent Director of the Company for a cumulative term of more than nine (9) years, the Board must justify its decision and seek the shareholders' approval through a two-tier voting process at a general meeting. During the financial period under review, none of our Directors has served the Board as an Independent Director of the Company for a cumulative term of more than nine (9) years. In addition, the Directors' Fit and Proper Policy serves as a guidance to NC and the Board for the appointment and re-election of Directors. The Directors' Fit and Proper Policy is published on the Company's website at www.cfm.com.my.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	

Timeframe :		

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

Practice 5.2
At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

<table>
<tr><td>Application :</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">The Board currently consists of five (5) Directors, comprising two (2) Executive Directors and three (3) Independent Non-Executive Directors, as follows:

<table><tr><th>Name</th><th>Designation</th></tr><tr><td>Tan Sri Datuk Seri (Dr) Mazlan Bin Lazim</td><td>Independent Non-Executive Chairman</td></tr><tr><td>Tan Kok Hui</td><td>Executive Director</td></tr><tr><td>Florence Wong Wei Wei*</td><td>Independent Non-Executive Director</td></tr><tr><td>Wong Kok Seong</td><td>Senior Independent Non-Executive Director</td></tr><tr><td>Dato’ Rahim Bin Suboh</td><td>Independent Non-Executive Director</td></tr></table>
<u>Note:</u>
*Ms. Florence Wong Wei Wei was appointed as an Independent Non-Executive Director on 15 November 2024 and subsequently redesignated as Executive Director on 31 December 2025.

The present composition of the Board complies with Paragraph 15.02 of the Listing Requirements of Bursa Securities and Practice 5.2 of the MCCG as more than half of the Board comprises Independent Directors.

The presence of Independent Directors ensures that views, consideration, judgment and discretion exercised by the Board in decision making remain objective and independent whilst assuring the interest of other parties such as minority shareholders are fully addressed and adequately protected as well as being accorded with due consideration.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
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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.

<table>
<tr><td>Application :</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">There are no Independent Non-Executive Directors serving the Board beyond the cumulative term of nine (9) years.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

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.

<table>
<tr><td colspan="2">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.</td></tr>
<tr><td>Application :</td><td>Not Adopted</td></tr>
<tr><td>Explanation on adoption of the practice :</td><td></td></tr>
</table>

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.

<table>
<tr><td>Application</td><td>:</td><td>Applied</td></tr>
<tr><td>Explanation on application of the practice</td><td>:</td><td>The Board is of the view that it is important to recruit and retain the best available talent regardless of gender, ethnicity and age to maximise the effectiveness of the Board.

The NC is tasked by the Board with the delegated authority of the Board to evaluate candidates and recommend new appointments to the Board. The role of the NC is detailed in its TOR, which is accessible on the Company's website at www.cfm.com.my.

The Board, through the NC, believes that candidature to the Board should be based on the following criteria:-

• qualification, skills, knowledge, expertise and experience;
• professionalism;
• integrity;
• in the case of candidates for the position of Independent Non-Executive Directors, the ability to discharge such responsibilities/ functions as expected from Independent Non-Executive Directors; and
• time commitment to the Company based on the number of directorships held.

The profile of Directors and Senior Management as set out in the Company's Annual Report 2026.</td></tr>
<tr><td rowspan="2">Explanation for departure</td><td rowspan="2">:</td><td></td></tr>
<tr><td></td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
</table>

Measure :		
Timeframe :		

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

Practice 5.6
In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

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

Application	:	Applied
Explanation on application of the practice	:	The primary responsibility of screening, evaluating and nominating new Board member(s) for the appointment is delegated to the NC. The members of the Board are to be appointed in a formal and transparent practice as endorsed by the MCCG. The NC will scrutinise the candidates and recommend the same for the Board's approval. In discharging this duty, the NC will assess the suitability of an individual by taking into account the individual's mix of skill, functional knowledge, expertise, experience, professionalism, integrity and/or other commitments that the candidate can bring to complement the Board. The policies and procedures for the recruitment and appointment of Directors are guided by the TOR of the NC. The NC leverages various sources to gain access to a wider pool of potential candidates. Besides the recommendation from the existing Board members, Management and/or major shareholders, the NC also consider potential candidates from the industry based on their educational background, skills, and experience. The Board will consider referrals from external sources to identify suitably qualified candidates when the need arises in the future and will not solely rely on recommendations from existing Board members, Management and/or major shareholders.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		

Measure :		
Timeframe :		

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

Practice 5.7
The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied	
Explanation on application of the practice	:	The performance of retiring Directors recommended for re-election at the Sixty-Second Annual General Meeting ("62nd AGM") has been assessed through the NC annual evaluation (including the independence of the Independent Director) and recommended to the Board for approval. The profiles of the Directors who were due for retirement and offered themselves for re-election, which included the nature of interest with the Company, whichever applicable, were set out in the Annual Report 2026. Whilst for the retiring Directors for the forthcoming Sixty-Third Annual General Meeting ("63rd AGM"), a statement by the Board and NC being satisfied with the performance and effectiveness of the retiring Directors who offered themselves for re-election at the forthcoming 63rd AGM was provided in the notes accompanying the Notice of the 63rd AGM.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

Practice 5.8
The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied	
Explanation on application of the practice	:	During the FPE 2026, the NC was chaired by Ms. Kho See Yiing, an Independent Non-Executive Director of the Company. Ms. Kho See Yiing then ceased to serve as the Chairperson of the NC on 7 March 2025. Subsequently, Ms. Florence Wong Wei Wei was appointed as the Chairperson of the NC on 7 March 2025. On 31 December 2025, Ms. Florence Wong Wei Wei resigned as the Chairperson and Dato' Rahim Bin Suboh was appointed as the Chairman of the NC on same day. The profile of the current NC Chairman is disclosed in the Annual Report 2026.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board comprises five (5) Directors, out of whom one (1) is a woman, which constitutes 20% female representation at the Board level.	
		The Board is of the view that it is important to recruit and retain the best available talent regardless of gender, ethnicity and age to maximize the effectiveness of the Board. Women's representation on the Board and in Senior Management will be taken into consideration when vacancies arise and suitable candidates are identified, underpinned by the overriding primary aim of selecting the best candidate to support the achievement of the Company's strategic objectives.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

Practice 5.10
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 :	The Board had adopted a Gender Diversity Policy which provides a framework for the Company to improve its gender diversity at Board and Senior Management level. The Gender Diversity Policy is available on the Company's website at www.cfm.com.my. The Company acknowledges the importance to promote gender diversity at the Board and Senior Management level and will actively work towards having more female Directors and Senior Management. However, to avoid any mismatch and ineffective appointment of the female Directors and Senior Management, the Company does not set any specific target for female Directors and Senior Management in this Policy.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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.

<table>
<tr><td colspan="3">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.</td></tr>
<tr><td>Application</td><td>:</td><td>Applied</td></tr>
<tr><td>Explanation on application of the practice</td><td>:</td><td>The Company has in place a formal process for assessment of the effectiveness of the Board and the Board Committees as a whole and the contribution by each Director, including the independence of the Independent Non-Executive Director to the effectiveness of the Board and Committees, making reference to the guides available and the good corporate governance compliance.

The assessment of the Board and Board Committees are performed on a Board review whilst the assessment of the individual Directors is performed on a peer review basis. Each Director will be provided with the assessment forms for their completion prior to the meeting. The results of all assessments and comments by the Directors will be summarised and deliberated at the NC meeting and thereafter the NC’s Chairman will report the results and deliberation to the Board.

The annual assessment criteria of the Board and Board Committees and individual Directors were updated to stay aligned with the MCCG practices. The areas covered in the annual assessment criteria of the Board and Board Committees and individual Directors are as follows:-

<table>
<tr><th>Evaluation</th><th>Assessment Criteria</th></tr>
<tr><td>Board and Board Committees as a whole</td><td>• Role of the Chairman
• Board balance, size and composition
• Board structure and procedures
• Relationship of the Board to Management
• Quality and supply of information to the Board/Board’s Committees
• Access to information & advice
• Accountability for financial reporting, internal control and sustainability risk and opportunities
• Relation with Auditors/Shareholders/</td></tr>
</table>
</td></tr>
</table>

	Investors • Use of Board Committees • Directors' training
AC	• Composition and quality • Oversight of the financial reporting process, including internal controls • Understanding the business, including risk and control environment • Access to information & advice • Oversight of audit functions • Compliance with corporate governance • External Auditors • Staying abreast on issues • Report and recommendations
Executive Directors	• Financial • Strategic and sustainability • Product development • Conformance & compliance • Stakeholders' relations • Employees' training and development • Succession planning • Personal input to the role
Non-Executive Chairman/Directors	• Attendance at Board and Board Committees' meetings • Adequate preparation for Board and/or Board Committees' meetings/Key responsibilities of the Chairman • Regular contribution to Board/Board Committee meetings • Personal input to the role

In respect of the annual performance evaluation for the FPE 2026, it was concluded that:

- the Board and Board Committees discharged their duties and responsibilities effectively; and

- each Director continued to perform effectively and demonstrated commitment to his/her role.

The Board is satisfied with the current evaluation process. The Board will continue to review the Board's evaluation process as and when necessary to ensure it remains a valuable feedback mechanism for improving the Board's effectiveness.

Explanation for departure :	

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

Intended Outcome

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 :	The Board had, through the RC, established a formal and transparent Remuneration Policy to attract and retain Directors and Senior Management of the Company. The Remuneration Policy is available on the Company's website at www.cfm.com.my. The remuneration of the Executive Directors and Senior Management is made up of fixed salaries and performance-based incentive components, while the remuneration of Non-Executive Directors consists of Directors' fees and shall not be based on commission, percentage of profits or turnover. Each Director shall abstain from the deliberation and voting on matters pertaining to their own remuneration.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
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.

<table>
<tr><td>Application :</td><td>Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td>The RC comprises solely Independent Non-Executive Directors and its composition is as follows:

<table>
<tr><th>RC</th><th>Designation</th></tr>
<tr><td>Dato' Rahim Bin Suboh, Chairman</td><td>Independent Non-Executive Director</td></tr>
<tr><td>Wong Kok Seong, Member</td><td>Senior Independent Non-Executive Director</td></tr>
<tr><td>Tan Sri Datuk Seri (Dr) Mazlan Bin Lazim, Member</td><td>Independent Non-Executive Chairman</td></tr>
</table>

The TOR of the RC is available on the Company's website at www.cfm.com.my.

The RC is principally responsible for assessing and reviewing the remuneration policy and remuneration packages for the Directors of the Company. The RC also seeks to ensure that the remuneration packages are commensurate with the expected responsibility and contribution by the Directors and link to the strategic objectives of the Company.</td></tr>
<tr><td>Explanation for departure :</td><td></td></tr>
<tr><td></td><td></td></tr>
</table>

<table>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

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

Practice 8.1
There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied
Explanation on application of the practice	:	The detailed disclosure of the Directors' remuneration received during the FPE 2026 on a named basis is as follows:

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Datuk Hoo Swee Guan *(Resigned on 7 March 2025)*	Executive Director	-	13	104.5	-	-	22	139.5	-	13	104.5	-	-	22	139.5
2	Kua Khai Loon *(Appointed on 1 November 2024 and Resigned on 31 December 2025)*	Executive Director	-	-	168	-	-	25.5	193.5	-	-	168	-	-	25.5	193.5
3	Tan Kok Hui *(Appointed on 15 November 2024)*	Executive Director	-	-	122.5	-	-	19.5	142	-	-	122.5	-	-	19.5	142
4	Tan Sri Datuk Seri (Dr) Mazlan Bin Lazim	Independent Director	170	-	-	-	-	0.5	170.5	170	-	-	-	-	0.5	170.5
5	Wong Kok Seong	Independent Director	68	-	-	-	-	0.5	68.5	68	-	-	-	-	0.5	68.5
6	Kho See Yiing *(Resigned on 7 March 2025)*	Independent Director	15.5	-	-	-	-	0.5	16	15.5	-	-	-	-	0.5	16
7	Dato' Rahim Bin Suboh	Independent Director	68	2	-	-	-	0.5	70.5	68	2	-	-	-	0.5	70.5
8	Florence Wong Wei Wei *(Appointed on 15 November 2024 and subsequently re-designated as Executive Director on 31 December*	Executive Director	40.5	-	30	-	-	4.5	75	40.5	-	30	-	-	4.5	75

	2025)																

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.

<table>
<tr><td>Application :</td><td colspan="2">Not applicable - all members of senior management are members of the board</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2"></td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

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	:	Chairman of the Board – Tan Sri Datuk Seri (Dr) Mazlan Bin Lazim, Independent Non-Executive Chairman Chairman of the AC – Mr. Wong Kok Seong, Senior Independent Non-Executive Director The positions of the Chairman of the Board and the AC Chairman are being held by two different individuals. This ensures that the Board's review of the AC's findings and recommendations is not impaired.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
There is an effective and independent Audit Committee.

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

Practice 9.2
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 :	The Group recognises the importance of the independence of its External Auditors and that no possible conflict of interest whatsoever should arise. The requirement for a former key audit partner of the external audit firm of the Group to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC has been incorporated as part of the TOR of the AC. No former partner of the Company's external audit firm has been appointed to the AC. The TOR of the AC is available at the Company's website at www.cfm.com.my.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
There is an effective and independent Audit Committee.

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

Practice 9.3
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	:	The Board had established the External Auditors Assessment Policy ("EA Assessment Policy") together with an annual assessment form. The EA Assessment Policy is to outline the guidelines and procedures for the AC to review, assess and monitor the suitability, independence and performance of the External Auditors. The External Auditors are precluded from providing any services that may impair their independence or conflict with their role as External Auditors. The AC had obtained assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. The AC had carried out an annual performance assessment of the External Auditors and requested the Executive Directors and Senior Management to join the assessment. The annual evaluation form provides a checklist for the AC to carry out a formal review of the independence, effectiveness and efficiency of the External Auditors of the Company that consider, among others, the following criteria: (a) Calibre of the audit firm; (b) Quality of the audit engagement team; (c) Quality of communication and interaction with the audit team; (d) Audit scope and quality processes; (e) Audit governance and independence; and (f) Audit fee.
Explanation for departure	:	

<table>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

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.

<table>
<tr><td>Application</td><td>:</td><td>Adopted</td></tr>
<tr><td>Explanation on adoption of the practice</td><td>:</td><td>The AC comprises three (3) members who are exclusively Independent Non-Executive Directors. The composition of the AC is as follows:
<table>
<tr><th>AC</th><th>Designation</th></tr>
<tr><td>Wong Kok Seong, Chairman</td><td>Senior Independent Non-Executive Director</td></tr>
<tr><td>Dato' Rahim Bin Suboh, Member</td><td>Independent Non-Executive Director</td></tr>
<tr><td>Tan Sri Datuk Seri (Dr) Mazlan Bin Lazim, Member</td><td>Independent Non-Executive Chairman</td></tr>
</table></td></tr>
</table>

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	:	All members of the AC possess the necessary skills to discharge their duties in accordance with its TOR. The AC Chairman and the AC members are financially literate and are able to understand matters under the purview of the AC including the financial reporting process. They are expected to devote sufficient time to update their knowledge and enhance their skills through appropriate continuing education programmes, so as to enable them to sustain their active participation during deliberations. During the FPE 2026, all members of the AC have undertaken continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules. In addition, during the AC meetings, the members have also been briefed by the External Auditors on the development or changes in the Malaysian Financial Reporting Standards and the relevant accounting requirements under the Act. The AC Chairman, Mr. Wong Kok Seong holds a Master of Business Administration from the Open University, United Kingdom. He is also a Chartered Account, a member of the Malaysian Institute of Accountants (MIA) and a Fellow Member of the Association of Chartered Certified Accountants (FCCA).
Explanation for departure	:	

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

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

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

Practice 10.1
The board should establish an effective risk management and internal control framework.

Application	:	Applied	
Explanation on application of the practice	:	The Board acknowledges its overall responsibility of maintaining a sound system of risk management and internal control in the Company and the Group, and for reviewing its adequacy and effectiveness. The Board had delegated the responsibility for reviewing the adequacy and effectiveness of the risk management and internal control systems to the AC. The information on risk management and internal control is set out in the Statement on Risk Management and Internal Control in the Annual Report 2026.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

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

Practice 10.2
The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied	
Explanation on application of the practice	:	The Board recognizes its responsibility for reviewing the adequacy and integrity of the Group's risk management and internal control systems. The features of the risk management and internal control framework and the adequacy and effectiveness of this framework are disclosed in the Statement on Risk Management and Internal Control in the Annual Report 2026.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

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

Practice 10.3 - Step Up
The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	The Board had established the Internal Auditors Assessment Policy ("IA Assessment Policy") together with an annual performance evaluation form. The IA Assessment Policy is to outline the guidelines and procedures for the AC to review, assess and monitor the performance, suitability and independence of the Internal Auditors. The Internal Auditors are precluded from providing any services that may impair their independence or conflict with their role as Internal Auditors. The AC obtained assurance from the Internal Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. The AC carried out an annual performance assessment of the Internal Auditors and requested the Executive Directors and the Senior Management to join the assessment. The annual evaluation form provides a checklist for the AC to carry out a formal review of the independence, effectiveness and efficiency of the Internal Auditors of the Company, among others, the following were some of the criteria reviewed by the AC:- a) Adequacy of resources and experience of the internal audit firm; b) Quality processes of the internal audit firm; c) Competency of the engagement team; d) Governance and independence; e) Internal audit fee, scope and planning; and f) Internal audit reports and communications. The internal audit functions and activities carried out during the FPE 2026 are as disclosed in the AC Report of the Annual Report 2026.
Explanation for departure	:	

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

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

Practice 11.2
The board should disclose–
- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	The Internal Audit function is outsourced to Kloo Point Risk Management Services Sdn. Bhd. ("Kloo Point") which is independent of the operations and activities of the Group. The engagement team from Kloo Point is free from any relationship or conflict of interest, which could impair their objectivity and independence. The number of audit staff deployed by Kloo Point for each internal audit review ranges from two (2) to three (3) Internal Auditors per visit. Kloo Point is a corporate member of the Institute of Internal Auditors Malaysia (IIAM). Different lead Internal Auditors are assigned to conduct each internal audit review, depending on the scope of the review. The internal audit function is carried out in accordance with the International Professional Practices Framework set by the Institute of Internal Auditors to ensure that internal audit staff are professionally guided and trained to develop the appropriate competencies to perform their duties during the internal audit review. The AC was satisfied with the competency, experience, and resources of the internal audit function for discharging their roles and responsibilities. Further details of the internal audit activities are disclosed in the AC Report and Statement on Risk Management and Internal Control of the Annual Report 2026.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		

Measure :		
Timeframe :		

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

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

Practice 12.1
The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	The Company's ongoing engagement and regular communication with its stakeholders were established through its investor relations function, quarterly results announcements, other announcements on material corporate exercises, general meetings and electronic communications, i.e. website. A Corporate Disclosure Policy was formalised to promote comprehensive, accurate and timely disclosure pertaining to the Company and the Group's matters to regulators, shareholders and stakeholders. The Company's website at www.cfm.com.my provides easy access to the corporate and financial information of the Group. The Company's website provides updates and information on financial results where shareholders and the public can access the latest corporate information of the Group including annual reports, quarterly reports, corporate governance information, such as Board Charter, Whistle Blowing Policy, Remuneration Policy, TOR of the Board Committees. Besides, the AGM also serves as the principal forum for direct interaction and dialogue between the shareholders, the Board and the management. The AGM provides an opportunity for the shareholders to seek and clarify any issues and to have a better understanding of the Group's performance and other matters of concern. Shareholders are encouraged to actively participate in the question-and-answer session during the AGM. The Board, Senior Management and the External Auditors will be present to answer and provide appropriate clarifications at the meeting.
Explanation for departure	:	

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

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

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

Practice 12.2
Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

<table>
<tr><td>Application</td><td>:</td><td colspan="2">Not applicable – Not a Large Company</td></tr>
<tr><td>Explanation on application of the practice</td><td>:</td><td colspan="2"></td></tr>
<tr><td rowspan="2">Explanation for departure</td><td rowspan="2">:</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="4">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure</td><td>:</td><td colspan="2"></td></tr>
<tr><td>Timeframe</td><td>:</td><td></td><td></td></tr>
</table>

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 :	The notice of the 62nd AGM of the Company held on 27 February 2025 was sent to the shareholders on 23 January 2025, which was more than 28 days prior to the date of the 62nd AGM. This has given sufficient time to shareholders to review the Annual Report and consider the resolutions for any questions they might wish to raise at the 62nd AGM. The forthcoming 63rd AGM of the Company will be held on 12 August 2026 and the Notice of the 63rd AGM accompanying the Annual Report 2026 of the Company will be issued to the shareholders and published on a nationally circulate newspaper on 30 June 2026 (i.e., at least twenty-eight (28) days prior to the date of the forthcoming 63rd AGM). This also complies with the twenty-one (21) days' notice requirement as required under the Act. The notice of the general meeting provides a detailed explanation for the resolutions proposed along with any background information and reports or recommendations that are relevant, where required and necessary, to enable shareholders to have sufficient time to consider the resolutions that will be discussed and to make informed decisions in exercising their voting rights.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
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.

<table>
<tr><td>Application :</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">All Directors of the Company attended the 62nd AGM held on 27 February 2025. The Senior Management and External Auditors also attended the 62nd AGM virtually.

During the proceedings of the 62nd AGM, the Chairman invited shareholders to raise questions pertaining to the Company's audited financial statements and the other agenda items tabled for approval at the meetings. All questions raised by the shareholders were answered and addressed accordingly.

All the Directors of the Company will always endeavour to attend all general meetings and the Chairman of the Board Committees will provide meaningful responses to questions addressed to them.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

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.

<table>
<tr><td>Application</td><td>:</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice</td><td>:</td><td colspan="2">The 62nd AGM of the Company held on 27 February 2025, was held on a fully virtual basis and entirely via remote participation and voting.

<u>Remote shareholders' participation in general meetings</u>
Shareholders are able to attend, participate, speak (including posing questions to the Company/Board of Directors) and vote remotely at the 62nd AGM without being physically present at the meeting venue. Shareholders may also appoint proxies to participate on his/her behalf by submitting the duly executed proxy form to the Company's share registrar in hard copy or by electronic means.

<u>Voting in absentia</u>
For shareholders who are unable to attend the meetings remotely, they may exercise their voting rights by appointing the Chairman of the meeting as his/her proxy with a pre-determined proxy form.

Shareholders will be allowed to cast their vote via an online platform at the time of the meeting until a time when the Chairman of the meeting announces the completion of the voting session.</td></tr>
<tr><td rowspan="2">Explanation for departure</td><td rowspan="2">:</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="4">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure</td><td>:</td><td colspan="2"></td></tr>
<tr><td>Timeframe</td><td>:</td><td></td><td></td></tr>
</table>

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.

<table>
<tr><td colspan="3">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.</td></tr>
<tr><td>Application :</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">The Chairman will ensure that the general meetings cater an important opportunity for effective communication with, and constructive feedback from the shareholders. Shareholders were encouraged to post the questions using the query box facility during the 62nd AGM.

The Company facilitates and encourages shareholder participation at the 62nd AGM. The meeting provide an update for shareholders on their performance and offer an opportunity for shareholders to ask questions and vote. The Directors have responded to all the questions raised by the shareholders during the 62nd AGM.

All the Directors and Senior Management also attended the 62nd AGM to respond to questions posted by shareholders.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

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.

<table>
<tr><td colspan="2">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.</td></tr>
<tr><td>Application :</td><td>Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td>The Board has engaged Dvote Services Sdn. Bhd. (“Dvote”) to provide remote participation and electronic voting (RPEV) facilities to conduct the 62nd AGM.

The detailed procedures to participate in the meeting remotely were provided to the shareholders in the Administrative Notes prior to the 62nd AGM.

Dvote has in place a meeting platform that allows shareholders to participate online, using a smartphone, tablet or computer as well as view a live webcast of the meeting. Real time submission of typed texts is also available to encourage interactive participation from the shareholders.

The Company has closely monitored the RPEV facilities during the 62nd AGM to ensure a seamless execution of the 62nd AGM as well as a smooth interaction between the Company and its shareholders.

The Company’s virtual engagements with its shareholders have risen throughout the year via various digital platforms and this reflected its focus on continuous engagement with its shareholders.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td></td></tr>
<tr><td></td></tr>
<tr><td colspan="2">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
</table>

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.

<table>
<tr><td colspan="4">Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</td></tr>
<tr><td>Application</td><td>:</td><td colspan="2">Departure</td></tr>
<tr><td>Explanation on application of the practice</td><td>:</td><td colspan="2"></td></tr>
<tr><td rowspan="2">Explanation for departure</td><td rowspan="2">:</td><td colspan="2">The minutes of the 62nd AGM were not circulated to the shareholders.</td></tr>
<tr><td colspan="2">However, the Summary of Key Matters discussed at the 62nd AGM was published on the Company's website at www.cfm.com.my.</td></tr>
<tr><td colspan="4">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure</td><td>:</td><td colspan="2"></td></tr>
<tr><td>Timeframe</td><td>:</td><td></td><td></td></tr>
</table>

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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