CORPORATE GOVERNANCE REPORT

STOCK CODE : 5072
COMPANY NAME : Hiap Teck Venture Berhad
FINANCIAL YEAR : July 31, 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 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	:	The Company is led by a proactive Board which is primarily responsible for determining the strategic direction and sustainable goals of the Company and its subsidiaries ("the Group"), maintaining effective control over management oversight, and monitoring the overall conduct and performance of the Group's business and promoting ethical and sustainable business throughout the Group. It also reviews corporate strategies, budget, risk management, operations and the performance of the business segments and bring to bear independent judgement on issues relating to conflict of interest, strategy, risk management, performance, resources, governance and code of conduct and ethics to ensure that decisions made and actions taken will promote transparency, accountability and sustainability of the Group. The Board as a whole is dedicated to practise clear demarcation of duties, responsibilities and authority within the Company. The Board recognises the importance of good corporate governance and applies the Practices as set out in the Code (Malaysia Code on Corporate Governance 2021) and the MMLR (Main Market Listing Requirements) to enhance business prosperity and maximise shareholders' wealth to the best of its ability. The Board is, therefore, committed to ensure and maintain that a high standard of corporate governance is practised throughout the Group to effectively discharge its responsibilities with integrity, transparency and professionalism to protect and ultimately to enhance the shareholders' value and those of the other stakeholders. The Board integrates sustainability consideration in corporate strategy, governance and decision-making, as sustainability and its underlying environmental, social and governance ("ESG")

	issues become increasingly material to the Group's ability to create durable and sustainable value and maintain confidence of the stakeholders. Hence, the Board will continue to play a critical role in setting the appropriate tone at the top, providing thought leadership and promoting good governance, ethical conduct and practices throughout the Group, and taking a more holistic view of the Group's business coupled with proactive and effective measures to anticipate and address material ESG risks and opportunities. The Board has three (3) Committees, namely, Audit Committee ("AC"), Nomination and Remuneration Committee ("NRC") and Sustainability and Risk Management Committee ("SRMC") to assist the Board in discharging its responsibilities in order to ensure that the Group meets its objectives and improves the management performance as well as ensuring the maximisation of shareholders' wealth. The terms of reference for each of the Committees are reviewed periodically and amended accordingly after approval by the Board and are available in the Company's website at www.htgrp.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 1.2

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	:	The Board is led by a competent Chairman, Tan Sri Dato' Sri Mohamad Fuzi Bin Harun who is an Independent Non-Executive Director and is primarily responsible for effective operation and performance of the Board and instilling good corporate governance practices, leadership and effectiveness of the Board. His profile can be viewed on page 4 of the Company's Annual Report 2026. All the Directors have objectively discharged their duties and responsibilities at all times as fiduciaries in the interests of the Company and have acted with integrity, led by example, kept abreast of their responsibilities as Directors and of the conduct, business activities and development of the Company. To enable the Board to discharge its responsibilities in meeting the goals and objectives of the Company, the Board has amongst others adopted the following measures from Guidance 1.1 of the Code: • 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 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 board and senior management; • Ensure that the Company has in place procedures to enable effective communication with stakeholders; and • Ensure the integrity of the Company's financial and nonfinancial reporting. Key responsibilities of the Chairman as set out in Guidance 1.2 of the Code have been adopted by the Company to be the duties and responsibilities the Chairman of the Company: • Provides leadership for the board so that the board may perform its responsibilities effectively; • Sets the board agenda and ensures that board members receive complete and accurate information in a timely manner; • Leads board meetings and discussions; • Encourages active participation and allows different views to be freely expressed; • Manages the interface between board and management; • Ensures appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the board as a whole; and • Leads the board in establishing and monitoring good corporate governance practices in the Company. In addition, the Chairman sets the Board meeting agenda, and ensures that adequate time is allocated for discussion of issues tabled to the Board for deliberations and the Directors receive information and materials required for the Meeting at least Seven (7) days in advance of the Board meeting. He also ensures that the Board Committee meetings are not combined with the main Board 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

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	:	In order to promote accountability, transparency and independence, and to ensure the balance of power and authority, there is a clear demarcation of responsibility and roles between the Independent Non-Executive Chairman and the Executive Deputy Chairman. The positions of Independent Non-Executive Chairman and Executive Deputy Chairman are held by different individuals. In this regards, no one individual can influence Board's discussions and decision making. The Chairman's main responsibility is to ensure effective conduct of the Board and Board meetings and unrestricted and timely access by all Directors to all relevant information necessary for decision making. The Chairman leads discussion on strategies and policies recommended by the Management and leads the Board on its collective oversight of management. The Chairman of the Company is Tan Sri Dato' Sri Mohamad Fuzi Bin Harun. The Executive Deputy Chairman who is assisted by the three (3) Executive Directors focuses on the business and the day-to-day management of the Company and is responsible for the implementation of the Board's policies and decisions as well as supervising the operation of the Group and developing and implementing business strategies. The Executive Deputy Chairman is Tan Sri Dato' Seri Law Tien Seng. The separation of the positions of Chairman and CEO is clearly defined in the Board Charter of the Company.
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

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'.			
Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the Board is not a member of the Audit Committee, Sustainability and Risk Management Committee, Nomination and Remuneration Committee and he does not participate in all the three committees' meetings, even by way of invitation. Thus, the Chairman of the Board is not involved in these committees. This will ensure that there is check and balance as well as objective review by the Board.	
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 1.5

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 Board is supported by an experienced and competent Company Secretary who provides sound governance advice, ensures adherence to rules and procedures and advocates adoption of corporate governance best practices, and compliance with the provisions of the Companies Act 2016 and the MMLR. The Company Secretary of Hiap Teck Venture Berhad, Mr. Ng Yim Kong is a Fellow Member of the Malaysian Association of Company Secretaries (MACS00305). He also holds a Practicing License issued by the SSM (202008000309). The Company Secretary provides support to the Chairman of the Company to ensure the effective functioning of the Board. The Company Secretary helps the Board and its Committees function effectively and in accordance with their terms and reference and best practices. He and his representatives also organise and attend all Board Meetings and Board Committees' Meetings ensuring accurate and proper recording of issues discussed, decisions made and conclusions taken, and facilitate Board communication. He also manages the processes of the annual general meeting and extraordinary general meeting (if any). The Company Secretary updates the Board of Directors regularly on amendments to the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), practice and guidance notes or circulars issued by Bursa Securities from time to time and on the development of or amendments to the Companies Act 2016. The Company Secretary also circulates to the Directors notices of talks, seminars or conferences organised by Bursa Securities Berhad, Companies Commission of Malaysia or outside training and professional development providers to enable the Directors to select and attend the trainings or updates of their choice. Overall, the Company Secretary advises the Board on the corporate disclosures and compliances with the company and securities regulations and listing requirements. In addition, the Company Secretary serves notices to the Directors and Principal Officers to notify them of closed periods for trading in the

	Company's shares in accordance with Chapter 14 of the MMLR. He also ensures that all appointments and resignations of Directors are in accordance with the relevant legislation and the Performance Assessment of the Board, Board Committees and individual Directors are properly executed.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.6

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

Application	:	Applied	
Explanation on application of the practice	:	The Board of Directors are supplied with and have unrestricted access to information pertaining to the Group's business and affairs to enable them to discharge their duties effectively. This information includes both verbal and written details. All scheduled meetings held during the year were preceded by a formal agenda issued by the Company Secretary in consultation with the Chairman. Seven (7) days prior to the meetings, appropriate documents which include agenda and reports relevant to the issues of the meetings are circulated to all members. All Directors have sufficient time to appreciate issues deliberated at meetings which in turn enhances the decision-making process. Further details or supplementary information may be provided when the needs arise.	
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 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 Charter was adopted by the Board to emphasise its commitment to good corporate governance practices of the Code. The Board Charter sets out, amongst others, the governance structure, the responsibilities, authorities, procedures, evaluations and structures of the Board and Board Committees, the relationship between the Board and management and the shareholders of the Company as well as issues and decisions reserved for the Board. More importantly, the Board Charter sets out the key values, principles and ethos of the Company as policies and strategy development are based on these considerations. The Board delegates the day-to-day management of the Group's business to the Senior Management but reserves for its consideration significant matters such as the following: • Strategy plan and long term objectives. • Annual budget and capital expenditure. • Corporate and capital structure. • Financial reporting and controls. • Dividend policy and declaration of dividends. • Internal controls and risk management. • Shareholders' or investors' communication. • Board membership and other appointments. • Corporate governance matters. • Establishing a succession plan for key management. • Oversight of the implementation of the Group's ESG initiatives. The Board Charter is periodically reviewed and updated by the Board to ensure that it remains consistent with the Board's objectives and responsibilities. The Board Charter is available at the Company's website www.htgrp.com.my. The Board Charter outlines what is expected of individual

	Directors in terms of their commitment, conduct, roles and responsibility as Directors.	
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 Company has adopted a Code of Ethics and Conduct for Directors to focus on areas of ethical risk, managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering, and to provide guidance to Directors to assist them to recognise and deal with unethical conduct and help to foster a culture of honesty, trust, and responsibility. The Code of Ethics and Conduct is a part of the Company's commitment to integrity, accountability, transparency and self-regulation. It is a set of acceptable practices to guide the behaviour of the Directors. The Code of Ethics and Conduct is available at the Company's website www.htgrp.com.my. In addition, pursuant to the Amendments to the Main Market Listing Requirements dated 19 January 2022, the Company has adopted the Directors' Fit and Proper Policy to address board quality, integrity and transparency for appointment and re-election of directors of the Company and its subsidiaries which was published on the Company's website on 1 July 2022.
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 values the importance of integrity, transparency and fairness in communication with all the stakeholders, while taking into account of critical commercial confidentiality and regulatory considerations. Pursuant to this objective, a formal Corporate Disclosure Policy together with Whistleblowing Policy has been established and adopted on 18 March 2019. The Whistleblowing Policy can be accessed at the Company's website at www.htgrp.com.my. The Whistleblowing Policy allows employees to raise genuine concerns without fear of reprisals on possible improprieties in matters of financial reporting, abuse of power, sexual harassment, breach of legal obligation (including negligence, criminal activity, breach of contract and breach of law), miscarriage of justice, danger to health and safety or the environment and the cover up of any of these in the workplace and other malpractices at the earliest opportunity, and in an appropriate way. Under the Group's Whistleblowing Policy, the employee should immediately report any malpractice that exists in the work place to his/her manager. However, if the employee feels reluctant to do so, the employee has an option to directly report it to the Chairman of the AC who is also the Chairman of the Whistleblowing Governance Group. All details pertaining to the name and position of the whistle-blower will be kept strictly confidential throughout the investigation proceedings. In order to improve the overall organisation effectiveness and to uphold the integrity of the Company in the eyes of the public, the Company's Whistleblowing Policy provides a formal communication channel where all stakeholders can communicate their concerns in cases where the Company's business conduct is deemed to be contrary to its common values.
Explanation for departure	:	

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

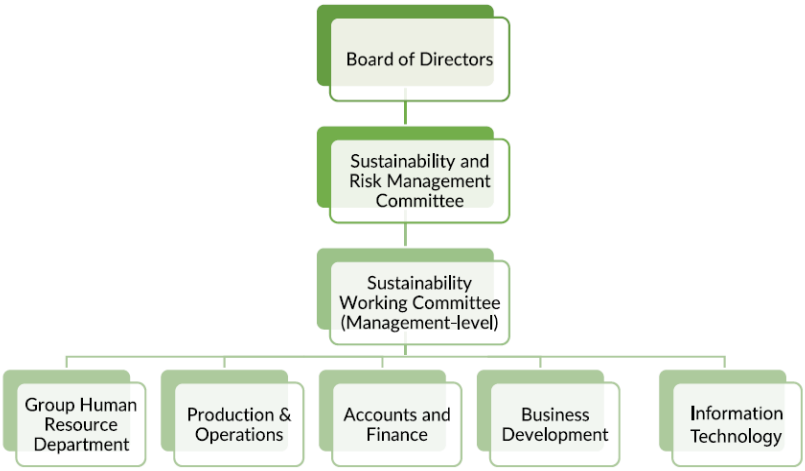
Intended Outcome

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 together with Management takes a serious view of its responsibility for the governance of sustainability in the Company including setting the Company's sustainability strategies, priorities and targets. The organisation structure below shows that the Board is the driving force which proactively considers sustainability issues and oversees planning, performance and long-term strategy of the Company to ensure that the Company remains resilient, is able to deliver durable and sustainable value as well as maintain the confidence of its stakeholders.  In view of this, the Board had restructured the Risk Management Committee ("RMC") with the objective to expand the role to include sustainability and to support the Board in fulfilling the oversight responsibilities in relation to the HTVB Group's sustainability strategies and initiatives covering Environmental, Social and Governance ("ESG") and integrating such policies and practices into the Group's business and decision-making processes. Accordingly, the RMC has been renamed as

	Sustainability and Risk Management Committee ("SRMC") as announced on 1 July 2022. To assist and support the Board's SRMC in implementing its responsibilities in integrating the best practices of ESG into the Group's business strategy goals and decision-making, the Sustainability Working Committee ("SWC") driven by senior management was formed. The SWC includes in its agenda discussion matters pertaining to sustainability strategies, priorities, targets, climate risks as well as opportunities. A similar agenda on sustainability is included in the Notice of Board of Directors' Meeting. The SWC reports to the SRMC on a quarterly basis or more frequently as deemed necessary. The SWC's report to SRMC includes its findings and recommendations pertaining to sustainability strategies, priorities and targets as well as performance against these targets. More specifically, SRMC reviews on a quarterly basis the sustainability key performance indicators relating to social and environment compliance, health and safety performance and compliance, scheduled waste management, and good housekeeping. The Term of Reference of the SRMC has been uploaded onto the Company's website at www.htgrp.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 4.2
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 communicates the Company's sustainability strategies, priorities and targets as well as performance against these targets to the internal and external stakeholders through the relevant communication platforms such as the Company's official website or press releases and the annual report and ensure that they are timely, transparent, relevant and of mutual benefit for the Company and all the stakeholders. The Board will promote the Company's sustainability agenda (i.e. communicating with Management to organise a series of relevant workshops) and develop an inventory of relevant sustainability issues with personnel from across the organisation's functional units. The detail description of the Company's stakeholder group's engagement as well as initiatives are set out in the Company's Sustainability Statement on page 54 to page 94 of the Annual Report which can be found on the Company's website at www.htgrp.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 4.3
The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	The Board and Management continuously keep themselves abreast with and understanding of the sustainability issues which are relevant to the Company and its business operations in Malaysia through continuous update, training, learning and education on laws, regulations and standards relating to Environmental, Social and Governance ("ESG"). All the Directors attended the MAP II. The Company Secretary updates the Board on the changes of the Listing Requirements upon receipt of circulars or notifications from Bursa Securities relating amongst others sustainability issues including climate-related risks and opportunities. The Board was updated on the Amendments to Bursa Malaysia Securities Berhad Main Market Listing Requirements in relation to Enhanced Sustainability Reporting Framework and the updated Sustainability Guide and Toolkits.	
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 4.4
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 Performance Evaluation of the Board conducted included questionnaires on Environmental, Social and Governance ("ESG") evaluating the Directors' understanding of the Company's ESG risks and opportunities, of the integration of ESG issues into the Board's strategy and decision-making process and adequately of oversight on sustainability performance including climate-related risks. The reply to the questionnaires demonstrate the Board's awareness of ESG principles in the decision-making process, their active engagement in identifying ESG risks and providing oversight on how these are managed. Overall, the Performance Evaluation showed the commitment and dedication by the Directors and Senior Management in addressing the environmental, social and governance ("ESG") matters faced by the Company during the financial year under review and how the ESG matters have been dealt with by the Directors.	
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	:	Adopted
Explanation on adoption of the practice	:	The Board has identified and nominated Mr. Hoo Weng Keong, the Group Chief Financial Officer of the Company to be the person within Senior Management to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the Group.

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	:	Pursuant to the Board's approval on 14 December 2024, the Nomination Committee and the Remuneration Committee were merged to become the Nomination and Remuneration Committee. The Nomination and Remuneration Committee ("NRC") reviews the composition of the Board and the tenure of Directors annually and evaluates among others the need to refresh the Board to bring new skills and perspective to the boardroom. In the process, the NRC takes into account the appropriate mix and diversity of skills knowledge, experience, age, gender and ethnicity that are required to meet the Company's objectives and long term plans. The NRC carries out the Annual Performance Evaluation of the Board, the Committees, the Director and the Financial Controller. Self and Peer reviews are carried out using a set of questionnaires duly approved by the Board and the results are collated and compiled by the Company Secretary for the evaluation of the results by the NRC. Any material or exceptional results or recommendations are immediately brought to the attention of the Board by the NRC Chairman following the evaluation. The NRC will recommend the re-election or re-appointment of Directors based on the satisfactory evaluation of the Director's performance, commitment and contribution to the Board.
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.

Application	:	Applied	
Explanation on application of the practice	:	The Board comprises eight (8) members; four (4) of whom are Executive Directors and four (4) are Independent Directors. The Board is therefore, in compliance with Paragraph 15.02 of the MMLR of Bursa Securities, which requires that at least two (2) directors or one-third (1/3) of the board of directors of a listed issuer, whichever is the higher, are Independent Directors	
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 5.3
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	:	It is the present practice of the Company that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, the Independent Director will have to resign unless he is retained by the Board as a Non-Independent Director. This is in compliance with Practice 5.3 of the Code. However, the Board may, in exceptional cases and subject to the assessment of the NRC on an annual basis, recommend for an Independent Director who has served for a consecutive or cumulative term of nine (9) years or more to remain as an Independent Director subject to annual Shareholders' approval through a two-tier voting process but provided always that the limit of the tenure of that Independent Director shall not exceed a cumulative period of twelve (12) years from the date of his appointment as an Independent Director of the Company in compliance with Bursa Malaysia's Main Market Listing Requirements. To justify retaining an independent director beyond the term limit of nine years, NRC will undertake a rigorous review to determine whether the "independence" of the Director has been impaired. Findings from the NRC's review will be disclosed to the shareholders for them to make an informed decision.
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 5.4 - Step Up
The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.		
Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.5
Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

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

Application	:	Applied	
Explanation on application of the practice	:	In evaluating the ability of a Director to perform his role effectively, NRC will consider amongst others whether the Director is "over stretched" in terms of his commitments to the Board, to meet the demands and expectations of his role in relation to the existing positions held by the Director including on the boards of non-listed companies. In any case, any appointment of Director to the Board will be subject to the Director's prior compliance with the Fit and Proper criteria of the Company.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

-**Intended Outcome**

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

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

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

Application	:	Applied
Explanation on application of the practice	:	There is a formal and transparent procedure which has been endorsed by the Board for the appointment of new Directors. To facilitate appointments to the Board, the Company has set up the Nomination and Remuneration Committee ("NRC") to provide a formal and transparent procedure for appointment of new Directors to the Board. The NRC is primarily responsible for identifying and recommending to the Board new candidates to be appointed as Directors to the Board and also recommending Directors to fill the seats on Board Committees. Presently, the selection of candidates is solely based on recommendations made by existing or former Board members, management or major shareholder but may include sourcing from a directors' registry and open advertisement or the use of independent search in future if suitable candidates are not readily available. The selected candidates for appointment as Independent Directors are high calibre professionals in their respective field of practice.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

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

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

Application	:	Applied	
Explanation on application of the practice	:	The profiles of the Directors, including their professional qualification work experience and interest in the Company (if any) are set up on pages 4 to 9 of the Annual Report 2026. Individual Directors standing for election are required to make the necessary declarations to the Board and shareholders on any existing or potential conflict of interest including whether they have a business, family or other special relationship within or outside of the Company that could affect the execution of their role as Directors on the Board. This information is included in the Explanatory Notes accompanying the Notice of the Annual General Meeting. The Board's statement of support on the election or re-appointment of the Directors is set out in the Explanatory Notes accompanying the Notice of Annual General 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
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 Chairperson of NRC, Dato' Ooi Lay See is an Independent Non-Executive Director.	
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 acknowledges the importance of gender diversity and recognises the recommendation of the Code to have at least 30% women Directors. For the financial year ended 31 July 2026, one out of eight Directors is a woman i.e. 13%. The Board, therefore, met the requirement of the Amendment to the Main Market Listing Requirements dated 19 January 2022 which requires the Company to have at least one woman director on its Board by 1 June 2023, but departs from Practice 5.9. The selection of suitable women candidates to join the Board will be dependent on their skills, knowledge and experience. The ultimate decision to appoint women candidates will be based on merit and contribution the selected candidate will bring to the Board. In the event of a Board vacancy, the NRC will give priority to the identification, selection and appointment of a woman director according to merit and requirement of the Company if such a suitably qualified woman candidate is available.	
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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Although the Company has no specific policy or target on gender diversity, the Board acknowledges the importance of gender diversity in the Group's workforce and on the Board, and the positive impact gender diversity can have on the Board's decision-making process and Group's performance. However, it is of the view that Board membership is dependent on the potential candidate's skills, experience, core competencies and other qualities regardless of gender, age and ethnicity.	
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.

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.	
Application :	Applied
Explanation on application of the practice :	The annual evaluation to determine the effectiveness of the Board, its Committees and each individual Director is carried out using a Director's Performance Evaluation ("DPE") Form which comprises a set of questionnaires aimed at assessing the contribution, participation and performance of each individual Director. For the financial year ended 31 July 2026, the NRC had reviewed the DPE Form and included in the DPE Form a segment for the purpose of assessing whether a Director meets the criteria of the Company's Fit and Proper Policy. Other segments of the DPE Form include the evaluation of the Board Structure, Board Roles and Responsibilities, Integrity and Ethics, Time Commitment, Judgement, Decision Making and Leadership. The DPE Form is a Self and Peer Evaluation Form which is approved by the Board and is required to be completed by each individual Director. Upon completion, the DPE Form is returned to the Company Secretary who coordinated the whole DPE exercise. Upon receipt of all the completed DPE Form; the Company Secretary compiled the results and the comments given by the Directors according to each segment of the DPE Form and analysing this information into a summary for the NRC's deliberation. Where appropriate, the NRC Chairman will bring the salient matters arising from the evaluation results in the DPE to the attention of the Board for notation or implementation of the Director's recommendation for improvement of the effectiveness of the Board, the Board Committees and each individual Director.

	The overall result of the DPE for the financial year ended 31 July 2026 was Good.	
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 Company has specific remuneration policies and procedures to determine the remuneration of Directors and Senior Management. The remuneration of Directors is determined based on the responsibility, contribution and performance of each Director. It is the Company's policy to link the Executive Directors' rewards to individual and corporate performance whilst the remuneration of the Independent Non-Executive Directors ("INEDs") including the Independent Non-Executive Chairman is determined in accordance with their experience and the level of responsibilities assumed, and the independent and objective judgement that the INEDs can bring to the Board's deliberation. Moving forward, in determining the appropriate level of remuneration for Directors and Senior Management, the Board will also take into consideration in the Company's performance in managing material sustainability risks and opportunities.
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.

Application	:	Applied
Explanation on application of the practice	:	The Company's Nomination and Remuneration Committee ("NRC") assists the Board by reviewing and recommending the remuneration packages of each individual Executive Director, Independent Non-Executive Director and Senior Management based on merit, qualification, competence and contribution to the Board and the Company while having regard to the Company's operating results, individual performance and comparable market statistics. The NRC is entrusted with the following responsibilities: • To recommend to the Board the framework of Executive Directors' and Senior Management's remuneration and the remuneration package for each Executive Director, drawing from outside advice as necessary taking into account the Company's desire to attract and retain the right talent in the Board and senior management to achieve the Company's long term objectives. • To recommend to the Board, guidelines for determining remuneration of Independent Non-Executive Directors. • To recommend to the Board any performance related pay schemes for Executive Directors. • To review and where appropriate, to recommend revision of Executive Directors' scope and terms of service contracts. • To consider the appointment of the service of such advisers or consultants as it deems necessary to fulfil its functions. • To review periodically the policies and procedures to determine the remuneration of directors and senior management which takes into account the demands, complexity and performance of the Company as well as skill and experience required.

	• To consider rewarding the Directors and Senior Management based on the Company's performance in managing material sustainability risks and opportunities. The terms of reference of the NRC is made available on the Company's website at www.htgrp.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

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 details of the remuneration of individual Directors for the financial year ended 31 July 2026 are disclosed on named basis on Page 40 together with the remuneration breakdown of individual Directors which includes fees, salary, bonus, benefit-in-kind and other emoluments.

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 Dato' Seri Law Tien Seng	Executive Director	-	198	1,800	9,250	-	1,350	12,598	-	198	1,800	9,250	-	1,350	12,598
2	Foo Kok Siew	Executive Director	-	120	696	358	-	142	1,316	-	120	696	358	-	142	1,316
3	Law Wai Cheong	Executive Director	-	78	410	85	-	70	643	-	78	410	85	-	70	643
4	Law Wai Ho	Executive Director	-	78	420	140	-	78	716	-	78	420	140	-	78	716
5	Tan Sri Dato' Sri Mohamad Fuzi Bin Harun	Independent Director	125	5	-	-	-	-	130	125	5	-	-	-	-	130
6	Sherman Lam Yuen Suen	Independent Director	115	5	-	-	-	-	120	115	5	-	-	-	-	120
7	Chen Thien Yin	Independent Director	110	5	-	-	-	-	115	110	5	-	-	-	-	115
8	Dato' Ooi Lay See	Independent Director	110	5	-	-	-	-	115	110	5	-	-	-	-	115
9	Tan Shau Ming (Retired on 31 July 2026)	Executive Director	-	-	-	-	-	-	-	-	78	432	72	-	71	653
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
11	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
12	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 such disclosure would not be beneficial to the Company and to the individual Senior Management's staff's interest due to the following reasons:- • Breach of Confidentiality and sensitivity of personal information of Senior Management. • Breach of Personal Data Protection Act. • Security concerns for the staff including their family members. • Potential friction among the staff. • Staff pinching or poaching of top executives by competitors in the industry. The Board ensures that the remuneration of Senior Management is competitive in the industry the Company is in and commensurate with the performance of the Company, with due consideration to attracting, retaining and motivating Senior Management to lead and run the Company successfully.
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

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

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

Practice 8.3 - Step Up
Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome
There is an effective and independent Audit Committee.

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

Practice 9.1
The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied	
Explanation on application of the practice	:	Presently, The AC has three (3) members; all of whom are Independent Non-Executive Directors. The Chairman of the AC, Mr. Sherman Lam Yuen Suen, is the Senior Independent Non-Executive Director while the Chairman of the Board is Tan Sri Dato' Sri Mohamad Fuzi Bin Harun.	
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 Company has a policy that requires a former key audit partner of the Group audit to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC. To date, no former partner of the external audit firm has been appointed as a member of AC. Practice 9.2 is included in the Terms of Reference of the Audit Committee.	
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 AC is responsible for reviewing and monitoring the Group's internal audit processes, the performance of its external auditors and the integrity and quality of the Group's financial statements. The AC is responsible for approving audit and non-audit services provided by the external auditors. In the process, the AC will review the independence and objectivity of the external auditors including the external auditors' governance and leadership structure as well as measures undertaken by the external auditors to uphold audit quality and manage risks to ensure that these are not compromised. The Group has established a formal, transparent and professional relationship with its external auditors. The AC reviews the audit plans, scope of audit report as well as their professional fees, performance and appointment of the external auditors. Non-audit services are approved by the AC before they are rendered by the external auditors and its affiliates while taking into account the nature and the extent of the non-audit services and the appropriateness of the level of fees. In making the decision for the re-appointment of external auditors, AC will also include criteria such as the assessment of the competence, audit quality and resource capacity of the external auditor in relation to the audit.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up
The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The AC comprises the following members, all of whom are Independent Non-Executive Directors: Sherman Lam Yuen Suen — Senior Independent Non-Executive Director Chen Thien Yin — Independent Non- Executive Director Dato' Ooi Lay See — Independent Non- Executive Director

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 the AC members who are financially literate, and have sufficient understanding of the Group's business and are able to understand matters under the purview of the AC including the financial reporting policies, carried out their duties in accordance with the terms of reference of the AC which are made available on the Company's website at www.htgrp.com.my. The Chairman of AC, Mr. Sherman Lam Yuen Suen who is a Chartered Accountant has vast experience and knowledge in accounting, auditing, finance and corporate related matters that makes him an invaluable member of the AC. All the AC members undertake continuous professional development and training to ensure that they keep abreast of the relevant development in accounting and auditing standards, practices and rules.
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 for reviewing the adequacy and integrity of the Group's systems of risk management, identifying principal risks and opportunities and establishing an appropriate control environment and framework to manage risks and take advantage of opportunities. The key risk categories of the Group are financial risk associated to corporate funding and gearing, foreign exchange risk, supply chain risk, receivables risk, regulatory risk, market risk, credit risk, inventory risk, corruption risk, cyber security risk and business continuity which are satisfactorily under control. During the financial year ended 31 July 2026, the internal audit function is outsourced to an outside internal audit service provider, Axelasia Sdn. Bhd. ("Internal Auditors") to assist the Board in ensuring that the risk management and internal control framework is effective and robust.	
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 has through its Internal Auditors conducted annual review and periodic testing of the Company's internal control and risk management framework. The Internal Auditors assist the AC to independently evaluate and recommend improvement to the effectiveness of the system of internal control. In doing so, the Internal Auditors have assessed the internal controls used to manage the key risks associated with the operating processes and provide a summary of their observations, recommendations for improvement and the timeline for the implementation of the recommendation. The Internal Auditors will also follow up on the implementation of prior internal audits to ensure that their recommendations have been adequately implemented. The features of the Company's risk management and internal control framework are available in the Statement on Risk Management and Internal Control ("SORMIC") of the Company's Annual Report 2026 on page 42 to page 46.	
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	:	Adopted
Explanation on adoption of the practice	:	The Company established a RMC on 30 March 2010 comprising a majority of independent directors and has been delegated by the Board to assume responsibility for the Group's risk oversight. The RMC which meets at least four times a year provides oversight, direction and counsel to the Group risk management process and considers any matter relating to the identification, assessment, monitoring and management of any risk associated with the Group that it deems appropriate. On 1 July 2022, the Board of Directors of the Company had announced to Bursa Malaysia Securities Berhad that the name of the Board's Risk Management Committee ("RMC") has been changed to Sustainability and Risk Management Committee ("SRMC"). The RMC will now include in its expanded role as SRMC sustainability and supports the Board in fulfilling its oversight responsibilities in relation to the HTVB Group's sustainability strategies and initiatives covering Environmental, Social and Governance ("ESG") and integrating such policies and practice into the Group's business and decision-making process. The terms of reference of the SRMC are available on the Company's website at www.htgrp.com.my.

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 internal audit function of the Company is currently outsourced to Axcelasia Sdn. Bhd. which reports directly to the Audit Committee. The Internal Audit function is, therefore, effective and independent. To the best of the Board's knowledge, the outsourced internal audit personnel are free from any relationship or conflict of interest which could impair their objectivity and independence. The internal audit function is responsible to assist the AC in discharging its duties and responsibilities to evaluate and improve the effectiveness of risk management, internal control, anti-corruption, whistle-blowing and governance process.	
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 of the Group is outsourced to Axcelasia Sdn. Bhd. ("the Internal Auditors"). The Internal Auditors and its assigned personnel to the Group are free from any relationships or conflict of interest that could impair their objectivity and independence pursuant to written declaration made by them. The Internal Auditors assigns a few staffs to the Group to carry out internal audit assignments. The Internal Auditors was headed by its Director, Mr. Chang Ming Chew, who is a Certified Internal Auditor and a member of the Institute of Internal Auditors Malaysia, the Association of Chartered Certified Accountants (UK) and the Malaysian Institute of Accountants. The internal audit function conducts its work by referring to a recognised framework, such as the International Professional Practices Framework issued by the Institute of Internal Auditors.	
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 Board recognises the importance of effective, transparent and regular ongoing engagement communication with its stakeholders to facilitate mutual understanding of each other's objectives and expectations and to enable the stakeholders to make informed decisions with respect to the business of the Company, its policies on governance, the environment and social responsibility. Information is disseminated through various disclosures and announcements made to Bursa Securities which includes financial results and corporate developments. The Company's website at www.htgrp.com.my provides shareholders and investors with the overview information of the Group's business, the latest updates of the Company and the announcements of the quarterly financial results made via Bursa Link. Shareholders and investors may contact the persons identified in the website to enquire more about the Company and the Group. The Company meets financial analysts, as and when requested, to give them an overview of the Group's performance and operations. Through these channels, the Company has the opportunity to directly address, explain or clarify issues that investors and analysts may have regarding the business, operations and prospects of the Group. The 30th AGM is the principal forum for dialogue with our shareholders. Shareholders are notified of the meeting and provided with a copy of the Company's Annual Report 2026 before 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.

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
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 13.1
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	:	According to Clause 60(a) of the Company's Constitution, notice of Annual General Meeting ("AGM") will be circulated at least twenty-one (21) days before the date of the meeting to enable shareholders sufficient time to peruse the Annual Report and papers supporting the resolutions proposed. The 21 days' notice is within the requirement stipulated by the Companies Act 2016 under Section 316 and Paragraph 9.19 of the MMLR of Bursa Securities. The Board is aware that Practice 13.1 of the Code encourages a company to send out Notice for its AGM to the shareholders at least 28 days prior to the meeting. Since the Notice of the 30th AGM will be sent on 17 November 2026 while the 30th AGM will only be held on 17 December 2026, there will be more than 28 days prior to the 30th AGM. The Company, therefore, complies with Practice 13.1 of the Code.
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.

Application	:	Applied	
Explanation on application of the practice	:	All Directors, including the Chair and members of the Board Committees, will attend and participate on matters relating to them at the Company's 30th AGM and are available to give response if there are any questions addressed to them.	
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 13.3

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	:	Applied	
Explanation on application of the practice	:	The Company's 30th AGM will be conducted physically at the Setia City Convention Centre, Function Room 8, 1st Floor, No. 1, Persiaran Setia Dagang AG U13/AG, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan, Malaysia on Thursday, 17 December 2026 at 10.00 a.m.	
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 13.4
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	:	The Company's AGM is the primary forum for our shareholders to raise questions on the Group's performance. The Executive Director will present to the shareholders a review of the operations and the financial performance of the Group for the year as well as to read out the Board of Directors' reply to the letter from the Minority Shareholders Watch Group ("MSWG"). All the Directors including the chair of Committees, the Company Secretary, Chief Financial Officer and the External Auditors will attend the 30th AGM and answer any questions relating to their areas of expertise. As active participation from the shareholders is encouraged, the Board will attempt to answer all the questions raised by the shareholders and proxies during the 30th AGM. Questions that are raised during the 30th AGM, if there are any questions which cannot be answered due to technicality in the 30th AGM, the Chairman will undertake to provide a response that is subsequently uploaded onto the Company's website.
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 13.5
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.

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.			
Application	:	Not applicable – as the AGM will be conducted physically.	
Explanation on application of the practice	:		
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 13.6

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

Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.			
Application	:	Applied	
Explanation on application of the practice	:	Minutes of the 30th AGM as well as all the questions and answers posed by the Minority Shareholders' Watch Group (if any) and by the shareholders will be made available on the Company's website within 30 business days after the 30th 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	:		

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.

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