CORPORATE GOVERNANCE REPORT

STOCK CODE	**:**	5274
COMPANY NAME	**:**	Hong Leong Capital Berhad
FINANCIAL YEAR	**:**	June 30, 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 TO 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 ("**Board**") of Hong Leong Capital Berhad ("**HLCB**" or "**Company**") assumes responsibility for effective stewardship and control of the Company and has established terms of reference ("**TOR**") to assist in the discharge of this responsibility. In discharging its responsibilities, the Board has established functions which are reserved for the Board and those which are delegated to Management. The key roles and responsibilities of the Board are set out in the Board Charter, which is reviewed annually by the Board and published on the Company's website, 'www.hlcap.com.my' ("**the Company's Website**"). The Board Charter was last reviewed by the Board in November 2025. The key roles and responsibilities of the Board broadly cover reviewing and approving corporate policies and strategies; overseeing and evaluating the conduct of the Group's businesses; identifying principal risks and ensuring the implementation of appropriate systems to manage those risks; promoting good corporate culture; and reviewing and approving key matters such as financial results, investments and divestments, acquisitions and disposals, and major capital expenditure.	
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 Chairman helms the Board. He leads the Board and ensures its smooth and effective functioning. The responsibilities of the Chairman are set out in the Board Charter, which is published on 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
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 Chairman is not the Chief Executive Officer ("**CEO**") of the Company. The Company presently does not have a CEO. However, each operating subsidiary of the Company has its own CEO.	
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 Board Audit and Risk Management Committee ("**BARMC**") or the Nomination and Remuneration Committee ("**NRC**") of HLCB.	
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 the Company Secretary who is qualified to act under Section 235 of the Companies Act 2016. He is an Associate Member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and holds the practicing certificate issued by Companies Commission of Malaysia. The Company Secretary supports the effective functioning of the Board, provides advice and guidance to the Board on policies and procedures, relevant rules, regulations and laws in relation to corporate secretarial and governance functions and facilitates effective information flow amongst the Board, Board Committees and Senior Management. The Company Secretary attends programmes and seminars to keep abreast with inter alia, regulatory requirements, company law and corporate governance requirements and best practices.
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	:	Prior to Board and Board Committee meetings, Directors are provided with minutes of the previous meeting(s). The agenda together with meeting reports and reference materials are disseminated electronically via 'BoardPAC', an iPad-based solution which stores meeting documents digitally in a secured manner.	
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 sets out the responsibilities of the Board and Board Committees, the Chairman, CEO and individual directors, matters reserved and delegated by the Board and proceedings of Directors. The Board Charter is subject to periodic review by the Board or at least once annually and published on the Company's Website. The last review of the Board Charter by the Board was carried out in November 2025.	
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 Code of Ethics for Directors and the Code of Conduct and Ethics for employees are published on the Company's Website. The Board observes the Code of Ethics for Directors established by the Company, which covers five (5) key principles, namely: 1. Corporate Governance; 2. Relationship with Shareholders, Employees, Creditors, Customers and Other Stakeholders; 3. Sustainability Practices; 4. Corporate Liability; and 5. Anti-Money Laundering, Countering Financing of Terrorism, Countering Proliferation Financing and Targeted Financial Sanctions. The Board provides an annual attestation to the Code of Ethics for Directors, affirming its understanding and compliance. HLCB's Code of Conduct and Ethics for employees ("**Code**") sets out expectations and guidance for employees and persons permitted to perform duties or functions within, or for and on behalf of, the Company to demonstrate a high standard of professionalism and ethics in the conduct of the Company's business and professional activities. The Code is reviewed on a periodic basis and all employees of the Company are required to read and provide their attestation to the Code on an annual basis. The principles have also been incorporated in other relevant governing documents within the Company, where appropriate. The Company has additional policies, including standard operating procedures ("**Procedures**"), to foster and maintain a healthy corporate culture that promotes integrity, transparency and fairness, such as HLCB's Anti-Bribery & Corruption Policy and Procedures which sets out the Company's zero-tolerance position on bribery and corruption, as well as policies and Procedures on gifts and entertainment, and whistleblowing.

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 Company has a Whistleblowing Policy and Whistleblowing Procedures which provide for a structured channel and process for any employee or director of the Company and any (legal or natural) person, including those providing services to, or having a business relationship with, the Company, to raise genuine concerns about any improper conduct or wrongful act ("**Improper Conduct**") involving the Company and/or any person associated with the Company. The Whistleblowing Policy and Whistleblowing Procedures are reviewed annually and approved by the Board of the Company as per the Governing Documents Policy. Reports of Improper Conduct may be made using the whistleblower form or in writing directly to the Chairman of the BARMC of the Company, who is the designated recipient of such reports. Where the alleged Improper Conduct concerns the Chairman of the BARMC of the Company, the report shall be made to the Chairman of the BARMC of Hong Leong Financial Group Berhad, the holding company of HLCB. The Whistleblowing Policy and the whistleblower form are available on 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
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	:	HLCB has been accelerating sustainability agenda over the recent years and is committed to grow its businesses in a sustainable and meaningful way. HLCB was admitted into Bursa FTSE4Good Index effective 19 December 2022. HLCB's FTSE4Good ESG rating was up-graded from a 2-star to 4-star rating in our annual review by FTSE Russell in December 2025. However, following FTSE4Good Index semi-annual review in June 2026, HLCB was excluded from the index as it no longer met the liquidity requirement of the FBM EMAS Index, a prerequisite for inclusion in the FTSE4Good Index. The Board is responsible for the overall direction, supervision and control of the Group and its management, as well as deciding on the Group's strategy with recommendation from the BARMC. The Board, together with BARMC, also maintains oversight of the sustainability governance matters and work cohesively to ensure sustainability is embedded in the Group with adequate resources in place to address the material sustainability issues. A Sustainability Steering Committee, which is chaired by the Group Managing Director ("**GMD**")/CEO of Hong Leong Investment Bank Berhad ("**HLIB**") and its members comprising of head of business divisions and the relevant support departments, together with a Sustainability Working Committee comprising of representative from various business and support departments, are in place to act as the main enabler of the Group's sustainability strategies and initiatives. HLCB has developed a Sustainability Framework in 2022 which is guided by four central pillars, namely Engaging on Sustainability, Addressing Climate Change, Strengthening Internal Capabilities and Impactful Digitalisation. The Sustainability Framework will continue to be used as a foundation and guides HLCB in embedding sustainability in the Group's strategies. A detailed Sustainability Statement is published in the Company's 2026 Annual Report.
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 acknowledges the importance of having continuous and meaningful communication with the Group's stakeholders on its sustainability strategies, priorities, performance and commitments. HLCB actively engages with its stakeholders on a regular basis to gather valuable insights into their interests and expectations, enabling HLCB to align the sustainability efforts, policies and programmes. The Sustainability Statement in the Company's 2026 Annual Report provides information on HLCB's sustainability management approach, efforts and push as well as providing insights into HLCB's Environmental, Social and Governance ("**ESG**") strategies, performance, initiatives and commitments. HLCB updates its stakeholders on the Group's sustainability journey through quarterly press releases in conjunction with announcement of its quarterly financial statements. Employees are the primary internal stakeholder as they play a defining role in the daily operations of the Group. Thus, effective internal communication and active employee engagement are essential in ensuring that the employees embrace HLCB's direction towards sustainable business growth.	
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	:	During the financial year ended 30 June 2026, the Board had participated in various training programmes, seminars, briefings and/or workshops to keep abreast of latest changes and developments relating to sustainability, including climate-related risks and opportunities. All Directors of the Company have completed the Mandatory Accreditation Programme ("**MAP**") Part I and MAP Part II: Leading for Impact. The training programmes and briefings attended by the Directors included the following: • Allianz Malaysia Berhad – Navigating Climate Risk: How Insurance Companies Prepare for it and the Board's Strategic Role • Asia School of Business – "Climate First….or Last? • Ernst & Young PLT – Double Materiality Training and Focus Session • International Sustainability Standards Board – Sustainability Accounting Standards Board (SASB): Agricultural Products and Meat, Poultry and Dairy • PricewaterhouseCoopers Malaysia – Emerging Trends in Sustainability • Securities Commission Malaysia – Climate Adaptation and Resilience Conference 2025 In addition to the above, during the financial year 2026, the BARMC was also apprised on the Group's initiatives on integrating sustainability into its business and operations. The BARMC reviewed the progress of managing and mitigating climate-related risks and ensured that the Group's best practices are aligned with the Task Force on Climate-Related Financial Disclosures (TCFD) as well as the International Financial Reporting Standards (IFRS) S1 & S2 disclosures. Sustainability targets, disclosure progress, and compliance with key regulatory requirements are designated as key BARMC agenda items.
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 Board of the Company is responsible for the overall direction, supervision and control of the Group and its management, as well as deciding on the Group's strategy. The Board, together with BARMC, also maintains oversight of the sustainability governance matters and work cohesively to ensure sustainability is embedded in the Group with adequate resources in place to address the material sustainability issues. The Annual Board Assessment of the Company for the financial year ended 30 June 2026 included, inter alia, an assessment on the adequacy of the Directors' skills sets and experience in ESG areas, adequacy of Board's knowledge on ESG concerns to oversee the conduct of business, and effectiveness of the Board in ensuring principal risks of the Company, including ESG risks, are identified and adequate risk management framework is in place to manage these risks. The performance evaluation of Senior Management is determined by key performance indicators such as behaviours in accordance with the Code of Conduct and Ethics, risk and compliance, meritocracy in performance, prudent risk-taking, selected ESG performance and Group's 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 4.5 - 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	:	Senior Management of the Group, namely the GMD/CEO of HLIB, who is also the chairperson of the Sustainability Steering Committee, oversees the integration of sustainability throughout the Group with the support of the Sustainability Steering Committee. The Chief Sustainability Officer of HLIB is responsible to drive and monitor sustainability-related initiatives, formulate strategy and roadmap for the Group to achieve its sustainability goals and facilitate sustainability awareness for 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	:	The NRC conducts annual review of the composition of the Board in terms of appropriate size, required mix of skills, experience and core competencies and adequacy of balance between Non-Executive Directors and Independent Non-Executive Directors. The NRC also reviews the tenure of Directors and assesses the performance of Director who is subject to re-election at the Annual General Meeting ("**AGM**") and upon satisfactory evaluation of the Director's performance and contribution to the Board, recommendation will be submitted to the Board for decision to table the resolution on the re-election of the Director concerned for shareholders' approval at the 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 5.2
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 of the Company comprises a majority of Independent Directors. As at 30 June 2026, the Board comprises five (5) Directors, of which three (3) are Independent Non-Executive 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	:	Not applicable - Step Up 5.4 adopted	
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
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	:	Adopted
Explanation on adoption of the practice	:	The Company has in place a policy in relation to the tenure for Independent Directors of the Company ("**Tenure Policy**") under the Fit and Proper ("**F&P**") Policy for Directors and CEO. Pursuant to the Tenure Policy, the tenure of an Independent Director shall not exceed a cumulative term of 9 years from the date of his/ her first appointment in the Company. The Independent Director may retire at the AGM immediately preceding or following the expiry of the 9-year term.

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	:	The Company has in place a F&P Policy for Directors and CEO as a guiding mechanism and framework for appointment of the Board and the CEO. The F&P Policy for Directors and CEO provides, inter alia, the assessment criteria and guidelines for such appointments and they are as follows: (i) how the candidate will be a strategic and effective fit for the Board and contribute to the overall desired composition and required mix of expertise/experience to enhance the Board's overall effectiveness. The NRC shall, inter alia, consider the attributes, qualifications, management, leadership and business experience, which ought to be at the most senior level. In respect of skills, expertise and background, the candidate should ideally complement the mix of core competencies of the Board as a whole including but not limited to business, legal and financial expertise, professional knowledge, information technology and financial industry experience; (ii) in the case of CEO, the candidate's knowledge and experience in the industry, market and segment and how this will bear on the performance of his/her duties; (iii) the candidate shall complete the F&P Declaration in respect of his/her probity, competence, personal integrity, reputation, qualifications, skills, experience and financial integrity in line with the standards required under the relevant regulatory requirements. The Company shall conduct independent background checks to verify the information disclosed in the F&P Declaration; (iv) the candidate is required to ensure that the financial obligation information is accurate with cross reference made to his/her individual Central Credit Reference Information System (CCRIS) report accordingly; (v) the candidate will be briefed on expectations on his/her role including his/her time commitment, the F&P assessments to be conducted and general and specific contributions expected; and

	(vi) whether the candidate is required to attend appropriate training to strengthen any specific area of market knowledge/experience so as to close the gaps identified to be lacking. As part of the nomination and selection process of potential candidates for appointment to the Board of the Company, the shortlisted candidates will be engaged to gauge their willingness and ability to ensure sufficient time commitment for discharging their statutory and fiduciary duties as directors if appointed, in addition to the assessment on their experience, skills and suitability. With reference to devotion of required time by appointed Directors to serve the Board effectively, the Directors shall devote sufficient time and effort to carry out his/her responsibilities and enhance the professional skills, and the Directors shall ensure that they do not hold more than five (5) directorships in public listed companies as stated in the Board Charter of the Company. Directors shall notify the Board Chairman before accepting any new directorships and provide notifications to the Board for acceptance of any new directorships. During the 2026 Board Annual Assessment, the Board had reviewed and was satisfied with the level of time commitment given by all Directors in discharging their duties and responsibilities. All Directors' attendances at the respective meetings of the Board and Board Committees held during the financial year 2026 are set out in the Corporate Governance Overview Statements of the Annual Report 2026. In evaluating any new appointment of Senior Management of the Group, the Company is guided by the Employment Policy where all potential candidates are given equal opportunity regardless of gender, race, religion and/or whether or not one has disability. Senior Management positions are awarded based on qualifications, experience and potential. In general, the assessment and selection of Senior Management of the Group shall consider the following factors in determining role-profile fit: (a) skills, knowledge, expertise and industry experience; (b) past contribution and performance; and (c) character, professionalism and integrity. Each and every candidate for Senior Management role is required to go through a stringent screening process where the candidate's competencies and potential are to be assessed through a mix of interviews, aptitude test, and competency assessments in order to ensure the candidate has the right personal profile to be successful in the role. Pre-employment screening is also performed to determine past performance track records, conduct and behaviour of the selected candidate. For Senior Management positions, final approval for hiring is obtained from the CEO of operating subsidiary, on top of the review and approval of the Hiring Manager and/or Division/Department Heads and Human Resources to ensure hiring decisions are made objectively in the best interests of the Company taking into account multiple perspectives and insights. Where required, Board's approval is also obtained for certain roles.

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	:	In the search for suitable Board candidates, the Company maintains a pool of potential Board candidates from internal and external introductions, recommendations and independent sources with director databases, including databases for women directors. While the Board is responsible for the appointment of new Directors, the NRC is entrusted with the responsibility of conducting assessment on the capabilities, commitment and qualities of candidates to be appointed as Board Members. Above and beyond referrals from the existing Directors, the NRC may utilise the independent sources, including industry talent pool and available directors' registry (i.e. ICDM and 30% Club). In assessing and appointing a Director, the NRC is guided by the assessment criteria and guidelines set out in the F&P Policy for Directors and CEO of the Company. Candidates who are shortlisted will be subject to rigorous vetting by the NRC before being appointed 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 5.7
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	:	Shareholders are kept informed on the Board's decision in respect of appointment of directors via announcements to Bursa Malaysia Securities Berhad ("**Bursa Malaysia**"), which are also updated on the Company's Website. The profile of each Director is set out in the Annual Report 2026 and is made available on the Company's Website. Ms Teh Muy Ch'ng, the retiring Director who is recommended for re-election at the forthcoming AGM, was appointed to the Board of the Company on 21 September 2026. The NRC has assessed her fitness and propriety, including her independence. A statement by the Board and NRC being satisfied with the fitness and propriety of Ms Teh Muy Ch'ng, who has offered herself for re-election at the 35th AGM, has been included in the notes accompanying the Notice of 35th 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	:	The NRC is chaired by 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	:	Applied	
Explanation on application of the practice	:	As at 30 June 2026, the Board comprises 60% women directors, i.e. three (3) out of five (5) 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 5.10
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 Company has in place a Board Diversity Policy. The Board recognises the merits of Board diversity in adding value to collective skills, perspectives and strengths to the Board. The Board will consider appropriate targets in Board diversity including gender balance on the Board and will take the necessary measures to meet these targets from time to time as appropriate. The Board will work towards maintaining participation on the Board in line with the Malaysian Code on Corporate Governance. Diversity & Inclusion in Work Environment section of the operating subsidiaries' Code of Conduct states the company's position on diversity, which include: 1. Employing and engaging people from a variety of different backgrounds and origin, experience and culture; 2. Prohibiting discrimination of any kind, including any discrimination of race, colour, nationality, ancestry, citizenship status, creed, religion, age, gender, pregnancy, maternity, marital status, or physical disability; and 3. For avoidance of doubt, stating that employees must not, at any time, engage in, or support acts of harassment or inappropriate or abusive conduct by or against our employees, customers or business partners and that the company will not tolerate discrimination, harassment in any form (including sexual harassment) or intimidation. There is a strong and active women representation in the top management roles with a participation of 35%. This demonstrates the Company's commitment in promoting gender equality and leveraging on women's talent.
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.

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	:	A formal evaluation process has been put in place by the Board and the NRC is delegated the authority to, inter alia, assess the effectiveness of the Board as a whole, the Board Committees and the contribution and performance of each individual Director on an annual basis ("**Annual Board Assessment**") in conjunction with the annual F&P assessment of Directors. Assessment criteria for the Board as a whole include, inter alia, the effectiveness of the Board composition in terms of size and structure vis-à-vis the complexity, size, scope and operations of the Company; the core skills, competencies and experience of Directors; and the Board's integrity, competency, responsibilities and performance. The assessment criteria for Board Committees include the effectiveness of the respective Board Committees' composition in terms of mix of skills, knowledge and experience to carry out their respective roles and responsibilities in accordance with the Board Committees' TOR and the contribution of Board Committees members. Each individual Director is assessed on, inter alia, the effectiveness of his/her competency, expertise and contributions. The skills, experience, soundness of judgment as well as contributions towards the development of business strategies and direction of the Company and analytical skills to the decision-making process are also taken into consideration. The NRC will deliberate and present the results of the Annual Board Assessment to the Board. The results of the assessment form one of the criteria of the NRC's recommendation to the Board for the re-election, re-appointment or retention of Directors. Based on the results of the Annual Board Assessment for the financial year ended 30 June 2026, the NRC and the Board were satisfied with the outcome of the results as follows: • The Board and the Board Committees were considered to be highly effective. The Board recognised that the BARMC and NRC have the right composition and have been effective in discharging their duties and responsibilities in accordance with their respective TORs.

	• All individual Directors are persons of high calibre and integrity, and they have a sound understanding of the Company's business as well as deep industry expertise. They possess the skill sets, knowledge, experience and competencies to address the key risks and major issues relating to the Company's business and its policies and strategies. All the Directors had discharged their duties and responsibilities effectively for the financial year ended 30 June 2026. • Each Independent Director has fulfilled the independence criteria set out in the Main Market Listing Requirements of Bursa Malaysia and they continue to demonstrate their independence through their engagement in meetings, providing objective challenges to the Management and bringing independent judgement to decisions taken by the Board. The Board considers the Annual Board Assessment described above to be effective for the Company presently. The Board will continuously review its Board evaluation process to further enhance the process. This may include engagement of independent experts to facilitate the evaluation of the Board, the Board committees and individual directors. Should independent experts be engaged for the Annual Board Assessment, an engagement interval of once every 3 years or 5 years will be 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 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	:	**Remuneration of Directors** The Group's remuneration scheme for Executive Directors is linked to performance, service seniority, experience and scope of responsibility and is periodically benchmarked to market/industry surveys conducted by human resource consultants. Performance is measured against profits and targets set in the Group's annual plan and budget. The level of remuneration of Non-Executive Directors reflects the scope of responsibilities and commitment undertaken by them. The NRC of the Company, in assessing and reviewing the remuneration packages of Executive Directors, ensures that a strong link is maintained between their rewards and individual performance, based on the provisions in the Group's Human Resources Manual, which are reviewed from time to time to align with market/industry practices. Independent Non-Executive Directors of the Company are paid fixed annual director fees, Board Committee fees and meeting allowance for each Board and Board Committee meeting attended. The remuneration of Independent Non-Executive Directors is recommended and endorsed by the Board for approval by the shareholders of the Company at its AGM, and payable in cash to Independent Non-Executive Directors upon approval of the shareholders of the Company. **Remuneration of Senior Management of the Group** Remuneration Process The remuneration of Senior Management and material risk takers are presented and approved by the Boards of the operating companies annually, with bonus and increment presented to the NRC/Board for review. The annual review process of management scorecards includes formal review by Risk and Compliance to ensure adequate weightages are placed on risk and compliance related Key Performance Indicators (KPIs). Risk control objectives that are not met and any non-compliance will have significant consequence to remuneration decisions.

	Deferred Compensation and Clawbacks Variable bonus awards for individuals in Senior Management position and in excess of a certain thresholds will be deferred over a period of time. Deferred compensation is applicable to some of the incentive schemes introduced in HLCB's subsidiaries. The clawback mechanism is introduced to ensure excessive risk-taking behaviour of staff is minimised and that the system does not induce excessive risk taking and sufficient control is in place. The clawback mechanism is triggered when there is non-compliance to regulations and policies.	
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 Board has an NRC, whose TOR deals with its authority, including inter alia recommending to the Board the framework and policies governing the remuneration of the Directors, CEO, Senior Management officers and other material risk takers. The TOR of the NRC is published on 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
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 remuneration of Directors (including the remuneration earned as Directors of Subsidiaries, if applicable) for the financial year ended 30 June 2026 is set out in the following page. During the financial year, Directors and Officers of the Group are covered under the Directors' & Officers' Liability Insurance in respect of liabilities arising from acts committed in their respective capacity as, inter alia, Directors and Officers of the Group subject to the terms of the policy. The total coverage of Directors' & Officers' Liability Insurance effected for the Directors & Officers of the immediate holding company and its subsidiaries was RM10 million. The total amount of premium paid for the Directors' & Officers' Liability Insurance by the immediate holding company and its subsidiaries was RM85,500.

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	Mr Tan Kong Khoon	Non-Executive Non-Independent Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Ms Tai Siew Moi	Independent Director	145	26#	-	-	-	-	171	145	26#	-	-	-	-	171
3	Ms Leong Ket Ti	Independent Director	143	24#	-	-	-	-	167	143	24#	-	-	-	-	167
4	Mr Peter Ho Kok Wai	Independent Director	153	26#	-	-	-	-	179	153	26#	-	-	-	-	179
5	Ms Lee Jim Leng	Non-Executive Non-Independent Director	-	-	-	-	-	-	-	-	-	1,680	1,384	7	490	3,561

Notes:

\# *Directors' meeting allowance*

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	:	Employees of the Group were employed under the operating subsidiaries. Given the highly competitive market for talent in the industry, it is not in the interest of the Company and its subsidiaries to disclose the detailed remuneration of Senior Management on a named basis.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:	The Board will monitor the market practice on such disclosure practice.	
Timeframe	:	Others	The Company may consider in the future as appropriate, taking into consideration the market practice and interest of the Company in relation to competition for talent as explained above.

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

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome
There is an effective and independent Audit Committee.

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

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

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the BARMC, an Independent Non-Executive Director, is not the Chairman of 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
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 TOR of the BARMC provides for a cooling-off period of at least three (3) years before a former partner of the external auditor of the Company may be appointed as a member of the BARMC. In this regard, none of the BARMC members were officers or partners of the external auditors 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
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 role of the BARMC in relation to the external auditors is guided by its TOR. BARMC is responsible for assessing the capabilities and independence of the external auditors and to make subsequent recommendations to the Board on the appointment, reappointment, termination and remuneration of the external auditors. The assessment on suitability, objectivity and independence of the external auditors is being conducted annually, covering the following areas: (i) Level of knowledge, capabilities, experience and quality of previous work; (ii) Level of engagement with BARMC; (iii) Ability to provide constructive observations, implications and recommendations in areas which require improvements; (iv) Adequacy in audit coverage, effectiveness in planning and conduct of audit; (v) Ability to perform the audit work within the agreed timeframe; (vi) Non-audit services rendered by the external auditors does not impede independence; (vii) Ability to demonstrate unbiased stance when interpreting the standards/policies adopted by HLCB; and (viii) Risk of familiarity threat to ensure that the independence and objectivity of the external auditors was not compromised. In addition, the Company had established the Policy on the Use of External Auditors for Non-Audit Services as one of the measures to safeguard the independence and objectivity of external auditors. The BARMC reviews the non-audit services rendered by the external auditors and their related fees prior to approving the services. The review also takes into account the non-audit fees threshold established under the Policy on the Use of External Auditors for Non-Audit Services to ensure their independence and objectivity are not compromised.
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	:	All the BARMC members of the Company are Independent Non-Executive Directors.

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	:	The BARMC members collectively possess the necessary skills and knowledge to discharge their duties and are financially literate. The profile of each BARMC member is set out in the Annual Report 2026. To keep abreast of latest changes and developments in the business environment and to enhance their skills and knowledge, the BARMC members attended various briefings, updates and training programmes as set out in the Annual Report 2026 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
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 recognises its overall responsibility in identifying principal risks and ensuring the implementation of appropriate systems to manage those risks. To discharge its oversight responsibilities more effectively, the Board has delegated the independent oversight over risk management and internal control framework to the BARMC. Although the Board has granted such authority to the BARMC, the ultimate responsibility and the final decision rest with the Board. The Board has established and maintained a Risk Management Framework commensurate with the operations of the Group, including systems for compliance with applicable laws, regulations, rules, directives and guidelines. The controls built into the Risk Management Framework of the Group are designed to ensure that all relevant and significant risks are identified and managed as part of the risk management process and are not intended to eliminate all risks of failure to achieve business objectives. Therefore, the system provides a reasonable and not absolute assurance against material misstatements, losses or frauds that may affect the Group's financial position or its operations. The Statement on Risk Management and Internal Control in the Company's Annual Report 2026 provides further details on the state of risk management and internal controls framework of the Group in financial year 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 has disclosed features of its risk management and internal control framework, and the adequacy and effectiveness of this framework in the Statement on Risk Management and Internal Control in the Company's 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	:	The Board has established a BARMC which comprises three (3) members, all of whom are Independent Non-Executive Directors. The Chairman of BARMC is appointed by the Board, and is not the Chairman of the Board. The BARMC supports the Board in providing oversight over risk management, compliance and internal audit activities of the Group to ensure that these functions are effective. Although the agenda is not segregated to a separate Risk Management Committee and Audit Committee, the extent and depth of oversight performed by the BARMC is similar to as if the committees are segregated. The composition of the BARMC, profile of each member and TOR are set out on the Company's Website.

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 BARMC of the Company has established an in-house internal audit ("**IA**") function at its subsidiary, HLIB since 1 August 2017. The IA is an independent function where the Head of IA reports directly to the BARMC of the Company, HLIB and Hong Leong Asset Management Bhd ("**HLAM**"), and Board of Hong Leong Islamic Asset Management Sdn Bhd ("**HLISAM**"). The BARMC had engaged privately with the Head of IA once within the financial year, without the presence of Management, to provide the opportunity for the Head of IA to discuss issues faced by the IA Department ("**IAD**"). The BARMC had evaluated the performance of the Head of IA, including providing feedback on the IAD. During the financial year, the BARMC had endorsed the IA Charter, which was subsequently approved by the Board of HLCB. The Audit Charter defines the mission, authority, scope of work, organisational status, accountability, independence and objectivity, responsibilities, and the professional proficiency and ethics of the IAD. During the financial year, the BARMC had reviewed and approved the Annual Audit Plan for financial year 2025/2026 ("**FY2025/2026**"), as well as budgeted man-days in July 2025. All audit reports on the audits performed on investment banking, stockbroking and asset management businesses as set out under IA function were tabled to the BARMC meeting on a quarterly basis. At the same time, the BARMC reviewed the status update on management's corrective action plans for the resolution on IA's findings and recommendations. The BARMC had performed its annual review on the performance of IAD in discharging its duties in FY2025/2026 based on the 5 key assessment areas covering Professionalism, Proficiency, Due Professional Care, Quality and Monitoring Progress. For further information, please refer to the BARMC Report 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 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	:	**a) Independence and objectivity** The IAD reports directly and functionally to the BARMC. In performing its IA function, IAD has no direct responsibility or authority over any of the functions it reviews and audits. The IAD is guided by its Audit Charter which defines the organisational status, accountability, independence and objectivity, responsibilities, the professional proficiency and ethics. The BARMC is responsible for deciding on the appointment, remuneration, appraisal, transfer and dismissal of Head of IA, and to provide oversight on the adequacy of resources. The BARMC had engaged privately with the Head of IA once within the financial year, without the presence of Management, to provide the opportunity for the Head of IA to discuss issues faced by the IAD. During the financial year, the Head of IA had also confirmed to the BARMC that the IAD was free from interference in determining the audit selection, scope of IA, procedures, frequency, timing and report content. **b) IA Resources** As at 30 June 2026, HLIB's IAD has a head count of 12 staff. **c) Head of IA** Ms Lim Bee Bee is the Head of IA of Hong Leong Capital Group of Companies. Functionally, she reports to the BARMC of HLCB and HLAM, Board Audit Committee (BAC) of HLIB, and Board of HLISAM. She holds a Bachelor of Economics Degree and is a Certified Information Systems Auditor (CISA). She has over 17 years of IA experience within the financial industry. Additionally, she is a Certified Bank Auditor, Certified Bank Risk Practitioner, Certified Financial Markets Practitioner and Certified Practitioner- Anti-Money Laundering (AML) under Asian Institute of Chartered Bankers (AICB).

	d) IA Framework IAD is guided by the requirements as stipulated in the Bank Negara Malaysia ("**BNM**") Guidelines on IA Function of Licensed Institutions (BNM GL13-4), Rules of Bursa Malaysia and the International Professional Practices Framework of Institute of Internal Auditors. For further information, please refer to the BARMC Report 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
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 acknowledges the importance of having effective communication with its shareholders and investors. In addition to filings and announcements with Bursa Malaysia, the Company also uses various communication channels to update shareholders and general public: **I) Corporate Website** HLCB corporate website at www.hlcap.com.my is a major channel and it provides easy access of relevant information to HLCB shareholders and other stakeholders, which includes corporate information, board charter, quarterly financial statements, press releases and Annual Reports. **II) AGM** 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. Shareholders are encouraged to meet and communicate with the Board at the AGM and to vote on all resolutions. Senior Management of the Group and the external auditors are also available to respond to shareholders' queries during the AGM. In addition to providing comprehensive insights into the Group's financial performance, the Board also recognises the importance of communicating the Group's business strategies and updates on the progress of the current business initiatives. The Board places importance in maintaining active dialogue and effective communication with shareholders and investors, ensuring accountability and transparency to enable shareholders and investors to make informed investment decisions. In terms of disclosure of material information, the Board adopts a comprehensive, accurate and timely approach in compliance with the Listing Requirements and the Corporate Disclosure Guide of Bursa Malaysia. **III) Dedicated Person to Handle Shareholders' and Investors' Queries** Shareholders, media and investors have a channel of communication with the following person to direct queries and provide feedback to the Group. Chief Financial Officer Telephone no: +603-2083 1800 Email: ir@hlcb.hongleong.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 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	:	The Company will continually enhance the content of the Annual Report to improve our communication with our stakeholders.	
Timeframe	:	Others	The Company will monitor the market practice and any developments in respect of integrated reporting for future consideration.

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 Company gives 28 days' notice to its shareholders for AGMs.	
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 are committed to attend General Meetings of the Company, which are scheduled in advance, save for unforeseeable circumstances. For the 34th AGM of the Company held on 29 October 2025, all Directors of the Company attended the meeting physically to engage with shareholders. The Chairs of Board Committees are aware of their respective scope of responsibilities and will respond to questions addressed to them at General Meetings.	
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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company views that physical meeting is a more effective and interactive way to communicate and engage with shareholders; and to facilitate the participation of shareholders who may be less familiar with, or are without access to technology. General Meetings of the Company are held in accessible locations within the Klang Valley. Shareholders who are unable to attend General Meetings of the Company may, in accordance with the Constitution of the Company, appoint their respective proxies or the Chairman of the meeting to vote on their behalf. The Company had adopted electronic voting for the conduct of poll on all resolutions at the AGM and provided an e-lodgement channel for shareholders to lodge their form of proxy electronically to the Company.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:	The Company will review the mode of meeting for the General Meetings of the Company annually, taking into consideration the prevailing regulatory requirements.	
Timeframe	:	Others	Review in 2027.

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 Chairman ensures that the General Meetings provide adequate opportunity for shareholders to have effective communication with the Board and Senior Management. Key highlights of the Company's performance were presented in the AGM. Shareholders were given the opportunity to submit questions to the Board prior to the AGM via ir@hlcb.hongleong.com.my. During the 34th AGM, the Chairman also invited questions from shareholders and proxies present before each proposed resolution was put to a vote. Questions raised by shareholders and responses by the Company were minuted and published on 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 – only physical general meetings were conducted in the financial year	
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	:	The minutes of the 34th AGM were published on the Company's Website within 30 business days after the 34th 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 PURSUANT TO 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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