

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 5105  
**COMPANY NAME** : Can-One Berhad  
**FINANCIAL YEAR** : December 31, 2025

## OUTLINE:

### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

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

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

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

## SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The responsibilities of the Board of Directors of Can-One Berhad (“<b>Can-One</b>” or “<b>the Company</b>”) (“<b>Board</b>”) are set out in the Board Charter. Further details of the roles and responsibilities of the Board are set out in the Corporate Governance Overview Statement (“<b>CG Overview Statement</b>”) in the Annual Report 2025.</p> <p>In discharging its duties, the Board is assisted by the Board Committees namely, the Audit and Risk Management Committee (“<b>ARMC</b>”), Remuneration Committee (“<b>RC</b>”) and Nominating Committee (“<b>NC</b>”). Each Committee operates within its respective defined Terms of Reference (“<b>TOR</b>”) which have been approved by the Board and are set out in the Board Charter. The TOR of the respective Board Committees are periodically reviewed and assessed to ensure that the TOR remain relevant and adequate in governing the functions and responsibilities of the Committee concerned and reflect the latest developments in the Main Market Listing Requirements (“<b>MMLR</b>”) of Bursa Malaysia Securities Berhad (“<b>Bursa Securities</b>”) and the Malaysian Code on Corporate Governance (“<b>MCCG</b>”).</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Chairman holds a Senior Independent Non-Executive position and is primarily responsible for the smooth running of the Board and encourages active participation by Board members and provides reasonable time for discussion of issues raised at meetings. Decisions reached at Board meetings reflect the consensus of the whole Board and not the views of any individual or group. His other responsibilities also include instilling good corporate governance practices.</p> <p>Further details of the responsibilities of the Chairman of the Board are set out in the Board Charter.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Chairman of the Board, Tun Arifin Bin Zakaria is a Senior Independent Non-Executive Director (“ <b>NED</b> ”), while Marc Francis Yeoh Min Chang is the Group Managing Director (“ <b>MD</b> ”). There is a clear and distinct division of responsibilities between the Chairman and the Group MD to ensure that there is an appropriate balance of power and role, responsibility and accountability at Board level. Their respective responsibilities are set out in the Board Charter.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	The Chairman of the Board, Tun Arifin Bin Zakaria does not hold any position in the ARMC, NC, RC or any other Board Committee, and neither does he participate in any or all of these Committees' meetings.  The revised Board Charter of the Company which was approved and adopted on 25 November 2021, includes a statement which stipulates that the Chairman of the Board should not be a member of the ARMC, NC, RC or any other Board Committee.
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The current Company Secretaries of Can-One, Lydia Tong Yiu Shyian-Shyian and Kwong Shuk Fong are qualified to act as company secretaries under Section 235(2) of the Companies Act (“CA”) 2016. All secretaries are also registered with the Companies Commission of Malaysia under Section 241 of the CA 2016 and are issued with practising certificates by the Registrar of Companies.</p> <p>Lydia Tong Yiu Shyian-Shyian holds a LLM in Professional Legal Practice from City Law School, London, United Kingdom (“UK”) (2010), and a LLB (Honours) degree from University of Reading, UK (2008). She was called to The Honourable Society of Lincoln’s Inn, UK in 2009 and the Malaysian Bar in 2010 and is a member of Bar Council. She was a partner at Lee &amp; May from September 2015 to December 2022 in General Litigation and Conveying Practice. From October 2014 to August 2015, she served as Legal, Risk &amp; Compliance Officer at ZICO Allshores Trust (S) Pte. Ltd. (Singapore). She was appointed as Joint Company Secretary of Can-One on 1 February 2023. She was also appointed as the Chief Integrity Officer of Can-One and its subsidiaries (“the Group” or “Can-One Group”) on 1 September 2024.</p> <p>Kwong Shuk Fong has extensive experience in receivership, liquidation, corporate recovery and reconstruction and company secretarial work having served in both the secretarial services and commercial sectors. Prior to joining the Company in April 2013, she was an Assistant Company Secretary of a public listed company which is involved in distribution of tin cans. Prior to this, her experience was in listed company involved in oil and gas, renewable energy, industrial trading and services. She is a member of The Malaysian Institute of Chartered Secretaries and Administrators and a Chartered Governance Professional under the Chartered Governance Institute.</p> <p>The Company Secretaries’ responsibilities are set out in the Board Charter.</p>
<b>Explanation for departure</b>	:	

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

<b>Measure</b> :		
<b>Timeframe</b> :		

### 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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	Prior to the Board meetings, every Director is given an agenda and a comprehensive set of Board papers consisting of reports on the Group financial performance, status of major projects, future development, the quarterly or annual financial results, internal audit reports, the minutes of preceding meetings of the Board and Board Committees, and relevant proposal papers (if any) to allow them sufficient time to review, consider and deliberate knowledgeably on the matters to be tabled. Meetings materials are circulated to the Board and Board Committees' members, 5 business days prior to their respective Meetings.  The minutes of the said Meetings are circulated and confirmed as a correct record of the proceedings by the Board and Board Committees at their subsequent respective meetings.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board Charter of the Company serves as a source of reference and primary induction literature, providing insight to prospective Board members and the Senior Management.</p> <p>The roles and responsibilities of the Board, Board Committees, Chairman, MD/Executive Directors, NEDs, Senior Independent NED, Independent NEDs and the Company Secretary are set out in the Board Charter. There is also a Schedule of Matters Reserved for Collective Decision of the Board in the Board Charter. The Board Charter serves as a source of reference and primary induction literature, providing insight to prospective Board members and the Senior Management.</p> <p>The Board Charter of the Company is subject to periodic review and updates by the Board whenever deemed necessary. The Board Charter was reviewed and updated on 21 November 2024 in line with the needs of the Group and the new regulations that impacted the discharge of the Board's responsibilities. It was to ensure its relevance for good corporate governance practices within the Group.</p> <p>The revised Board Charter was approved by the Board and adopted on 21 November 2024.</p> <p>The Board Charter is available on the Company's website at <a href="http://www.canone.com.my">www.canone.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is guided by the 'Code of Ethics' established by the Companies Commission of Malaysia for Company Directors, which sets out the standard of conduct expected of Directors with the aim to cultivate good ethical conduct that in turn promotes the values of governance, compliance, transparency, integrity, accountability and social responsibility.</p> <p>There is also in place, a 'Policy on Corporate Code of Conduct' ("<b>Code</b>"), an Anti-Corruption Policy as well as Standard Operating Procedure for Anti-Corruption, which are applicable to employees of the Group, and it contains policies and guidelines relating to the standards and ethics that all employees are expected to adhere in the course of their work covering among others, the following:</p> <ul style="list-style-type: none"> <li>• compliance with rules and regulations;</li> <li>• conflict of interest;</li> <li>• confidentiality;</li> <li>• safeguarding of the Group's intellectual property and assets;</li> <li>• prevention of abuse of power; and</li> <li>• Anti-Corruption.</li> </ul> <p>The said policy, Standard Operating Procedure and the Code are all available on the Company's website at <a href="http://www.canone.com.my">www.canone.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Company has in place a Policy on Whistle-Blowing which includes the procedures on whistle blowing. To promote awareness, regular training and briefings are conducted across the Group to ensure employees understand the whistleblowing channels and procedures.</p> <p>The Policy on Whistle-Blowing is available on the Company’s website at <a href="http://www.canone.com.my">www.canone.com.my</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<p><b>Application</b></p>	<p>: Applied</p>
<p><b>Explanation on application of the practice</b></p>	<p>: The Board of the Company is responsible for setting the Group’s sustainability strategies. The Governance Structure for Can-One’s sustainability management is set out below.</p> <div data-bbox="600 1048 1386 1498" data-label="Diagram"> <pre> graph TD     A[Board of Directors] --- B[Audit and Risk Management Committee]     B --- C[Risk Management Executive Committee (“RMEC”) ]     C --- D[Risk Management and Sustainability Working Groups (“RMSWG”) ]     </pre> </div> <p>The Board has ultimate responsibility for overseeing the Group’s risk management and sustainability agenda, including climate-related risks and opportunities. This oversight is supported by a governance framework that embeds sustainability and climate considerations across Board committees, management, and working groups. This ensures that sustainability matters are aligned with overall strategy, enterprise risk management, and stakeholder expectations.</p> <p>Sustainability and climate-related matters reviewed by the Board and its committees inform strategic direction, capital prioritisation, and risk appetite setting, supporting alignment between sustainability objectives and long-term enterprise value.</p>

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

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board ensures that the Company’s sustainability strategies, priorities, targets, and performance are effectively communicated to internal and external stakeholders through a structured governance and reporting framework.</p> <p>RMSWG comprising cross-functional leaders from senior and operational management across the Group’s operating entities, meets quarterly to align on sustainability priorities, monitor progress against targets, and identify emerging risks and opportunities. The Board is briefed on progress against sustainability targets on a half-yearly basis to support its oversight and strategic direction.</p> <p>Externally, sustainability strategies, priorities, targets, and performance are disclosed through the Annual Report and Sustainability Report, supplemented by updates on the Company’s corporate website and other relevant platforms.</p> <p>Internally, sustainability updates are cascaded across the organisation via management briefings and internal communication channels to ensure alignment with the Group’s objectives.</p> <p>The Group also engages key stakeholders, including customers, suppliers, and employees through various platforms to communicate sustainability matters and obtain feedback where relevant.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board is supported by Management and RMSWG, which provide regular updates on emerging sustainability trends, regulatory developments, and key risks and opportunities identified across the Group’s operations. These updates include progress on sustainability initiatives as well as climate-related considerations relevant to the Group’s operating environment.</p> <p>The Board also has access to relevant training programmes, seminars, and updates to enhance its understanding of sustainability matters and ensure it remains well-informed to discharge its oversight responsibilities effectively.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Directors'/Key Officers' Evaluation Form and Board &amp; Board Committee Evaluation Form incorporate the setting the Company's sustainability strategies, priorities and targets, and identifying and addressing the material sustainability matters.</p> <p>The NC conducted the evaluations of the Board and Senior Management in November 2025 using the aforesaid forms.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<i>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.</i>	
<b>Application</b>	: Adopted
<b>Explanation on adoption of the practice</b>	: <p>Ho Yik Kit, Head of Corporate Sustainability of the Group, is designated as the key focal person for sustainability matters across the Group. His role includes coordinating and facilitating alignment on sustainability priorities, targets, and initiatives across the RMSWG, and supporting the integration of sustainability considerations into business operations across the Group's operating entities.</p> <p>He also serves as the primary liaison for sustainability matters between Management and relevant internal and external stakeholders, including shareholders, customers, and employees.</p> <p>To support his role, he undertakes continuous professional development to stay abreast of evolving sustainability and climate-related developments, including regulatory updates and technical areas relevant to sustainability reporting and climate disclosures. He is also a Certified Sustainability Practitioner and a member of relevant professional sustainability bodies.</p>

## Intended Outcome

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

## Practice 5.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The responsibilities of the NC included among others, to evaluate the effectiveness of the Board and Board Committees (including its size and composition), contribution and performance of each individual Director and the independence of the Independent Directors of the Company on an annual basis.</p> <p>The Independent Directors were assessed via the Independent Directors' Self-Assessment Checklist, while individual Directors and the composition of the Board/Board Committees were assessed using the Directors'/Key Officers' Evaluation Form, Board &amp; Board Committee Evaluation Form, ARMC Evaluation Form and Performance Evaluation Sheet - Board Committees. NC also conducted the Conflict of Interest assessment of each individual Director.</p> <p>The NC, after having conducted the abovementioned evaluation and assessment on 20 November 2025, concluded that each Director has the requisite competence and calibre to serve on the Board and Board Committees and had demonstrated his/her commitment to the Group in terms of time, participation and dialogue during the financial year ended 31 December 2025 ("FYE 2025").</p> <p>Directors, Tun Arifin Bin Zakaria, Rajaretnam Soloman Daniel and Kee E-Lene are due to retire by rotation at the conclusion of the forthcoming Twenty-Second AGM of the Company on 24 June 2026 pursuant to Clause 82 of the Company's Constitution, and have offered themselves for re-election at the aforesaid AGM.</p> <p>The NC had endorsed the re-election of Directors, Tun Arifin Bin Zakaria, Rajaretnam Soloman Daniel and Kee E-Lene, who will be up for retirement pursuant to Clause 82 of the Constitution of the Company at the close of the Twenty-Second AGM of the Company to be held in June 2026.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>As at 31 December 2025, the number of Independent Directors on the Board were 5 (55.6%). The composition of the Board were henceforth as:</p> <ul style="list-style-type: none"> <li>➤ 1 Independent Non-Executive Chairman;</li> <li>➤ 4 Independent NEDs;</li> <li>➤ 2 Non-Independent NEDs;</li> <li>➤ 1 Group MD; and</li> <li>➤ 1 Executive Director</li> </ul> <p>The Directors with their differing backgrounds and specialisations collectively bring with them a wide range of experience and expertise in areas such as legal, economic, finance, investment, accounting and audit, marketing, risk management, manufacturing, trading, property development and investment. The profiles of the Directors are disclosed on Pages 5 to 10 of the Annual Report 2025.</p> <p>More than half of the Board comprises Independent Directors which reflects a good measure of objectivity and impartiality. Collectively, they ensure that plans and strategies proposed by the Management are fully discussed and examined, taking into account the long-term interests of all shareholders and stakeholders of the Company including employees, customers, suppliers and the local community in which the Group conducts its businesses.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Not applicable - Step Up 5.4 adopted	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### **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.

<i>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.</i>	
<b>Application</b>	: Adopted
<b>Explanation on adoption of the practice</b>	: The Company has implemented a cumulative 9 year-term limit for Independent Directors. The Board Charter has adopted Step Up Practice 5.4 of the MCCG on 25 November 2021 where the tenure of Independent Directors is limit to 9 years without further extension. After 9 years, such Independent Director may continue to serve on the Board subject to his re-designation as a Non-Independent Director

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NC is delegated with the responsibility of assessing and considering and recommending to the Board, suitable nominees for appointment as Directors, after taking into consideration, the candidates' age, race, gender, background capabilities, expertise, experience, character, integrity, professionalism, time commitment and other factors that will best qualify the candidates to serve on the Board of the Company. In the case of candidates for the position of Independent NEDs, they must meet the independence criteria defined in the MMLR of Bursa Securities.</p> <p>The Company has in place the Board Diversity Policy which was revised and approved for adoption on 25 November 2021.</p> <p>All the Directors were able to devote the required time to serve the Board in FYE 2025, as shown in the details of the Directors' attendance at the Board meetings set out in Page 96 of the Annual Report 2025 and the attendance by members at the respective Board Committees meetings as disclosed in Pages 88, 91 and 103 of the Annual Report 2025.</p> <p>All the current Directors of the Company do not hold existing board positions in more than 5 listed companies.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has in place a Policy on Nominating and Assessment Process of Board members which sets out the process and criteria for selection and assessment of potential candidates for election to the Board of the Company. It is specified in the said policy that in identifying candidates for appointment as Director, the following approaches will be deployed in sourcing for Board candidates:</p> <ul style="list-style-type: none"><li>➤ Referrals from Board members, management and major shareholders</li><li>➤ Directors' registry (e.g. Institute of Corporate Directors Malaysia)</li><li>➤ Industry and professional associations</li><li>➤ Independent search firms</li></ul> <p>The aforesaid policy is to be practiced in conjunction with the Board Diversity Policy of the Company.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board had evaluated Directors, Tun Arifin Bin Zakaria, Rajaretnam Soloman Daniel and Kee E-Lene , who are standing for re-election at the Twenty-Second AGM of the Company which will be held on 24 June 2026 using Directors'/Key Officers' Evaluation Form, Board &amp; Board Committee Evaluation Form, Performance Evaluation Sheet - Board Committees and Conflict of Interest Assessment Form, as well as the Independent Director's Self-Assessment Checklist, in order to assess each of their calibre and ability to understand the requirements, risk and management of the Group's business; contribution and performance; character, integrity and professional conduct in dealing with conflict of interest situations; ability to critically challenge and ask the right questions; commitment and due diligence, confidence to stand up for a point of view; interaction at meetings, training record for the FYE 2025 and their independence. Based on the evaluation result, the aforesaid retiring Directors met the performance criteria required of an effective member of the Board. The aforesaid retiring Directors, who are Independent Directors continued to demonstrate objectivity and independence in their judgement.</p> <p>The profile of each of the abovementioned Directors is set out on Pages 5 and 10 in the Annual Report 2025 as well as the Company's website. These include their age, gender, tenure of service, directorships in other companies, working experience and any conflict of interest or potential conflict of interest, including interest in any competing business with Can-One or its subsidiaries.</p> <p>The Board has provided a statement to support the re-election of the abovementioned Directors in the Explanatory Notes to the Notice of the Twenty-Second AGM of the Company dated 28 April 2026.</p>
<b>Explanation for departure</b>	:	

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

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The NC is chaired by Rajaretnam Soloman Daniel, the Independent Director.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Board acknowledges the importance of Board diversity, including gender diversity, for the effective functioning of the Board.	
		The Board had, on 25 November 2021 approved and adopted the revised Board Diversity Policy sets the aim of the Company to appoint and/or maintain at least 30% woman participation on the Board by 2023. The Policy stipulates, among other things, that the NC will consider the benefit of all aspects of diversity in order to maintain an appropriate range and balance of skills, experience and background on the Board. In identifying suitable candidates for appointment to the Board, the NC will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.	
		The Company will put greater effort into looking for suitable candidates to increase the number of women directors on the Board to 30%.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	Choose an item.	

**Intended Outcome**

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

**Practice 5.10**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board has disclosed the Gender Diversity Policy on Page 94 in the Annual Report 2025.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

### Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: On 20 November 2025, the NC undertook an evaluation of the Board, Board Committees and each individual Directors. The evaluation was conducted using the Independent Directors' Self-Assessment Checklist, Directors'/Key Officers' Evaluation Form, Board & Board Committee Evaluation Form, ARMC Evaluation Form, Performance Evaluation Sheet - Board Committees and Conflict of Interest Assessment Form.  The NC, after having conducted the above evaluation and assessment, concluded that:  (i) all the 5 Independent Directors of the Company viz, Tun Arifin Bin Zakaria, Foo Kee Fatt, Datuk Dr. Syed Hussain Bin Syed Husman, J.P., Rajaretnam Soloman Daniel and Kee E-Lene continued to demonstrate conduct and behaviour that were essential indicators of their independence, and that each of them continued to fulfill the definition and criteria of independence as set out in the MMLR of Bursa Securities;  (ii) each Director of the Company has the requisite competence and calibre to serve on the Board and the Board Committees and had continued to demonstrate his/her commitment to the Company in terms of time, participation and dialogue during the FYE 2025;  (iii) none of the Directors of the Company have improperly used his or her position in the Company to gain a benefit or advantage for himself or herself or any other person, or to cause detriment to the Company and/or the Group;  (iv) the Board and the Board Committees' respective responsibilities were well-defined and set out in the Board Charter of the Company. The criteria in the MMLR of Bursa Securities that at least 1 of the members of the ARMC must be a member of the

	<p>Malaysian Institute of Accountants (“MIA”) or a person approved under the MMLR of Bursa Securities is also met. Practices set out in the MCCG pertaining to the composition of the ARMC have also been adopted; and</p> <p>(v) the Board consisted of 9 Directors, out of which 5 (55.6%) are Independent Directors, hence Practice 5.2 of the MCCG that at least half of the Board is independent directors is applied.</p> <p>The Board members unanimously concurred with the above conclusions of the NC.</p>	
<p><b>Explanation for departure</b></p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>	<p>:</p>	
<p><b>Timeframe</b></p>	<p>:</p>	<p>:</p>

### Intended Outcome

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

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

### Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Company has in place a Remuneration Policy for Directors and Senior Management aimed to create a strong performance-oriented environment, and to attract, develop and retain talent.  The Remuneration Policy for Directors and Senior Management is available on the Company's website at <a href="http://www.canone.com.my">www.canone.com.my</a> .	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Company has a RC and the RC's TOR is set out in the Board Charter of the Company which is available on the Company's website at <a href="http://www.canone.com.my">www.canone.com.my</a> .	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	Detailed disclosure of the remuneration breakdown of each Director on a named basis for FYE 2025 are provided in the following page, and the footnotes thereto are set out herein below:  Notes:  (1) Salary comprised basic salary, EIS, EPF and SOCSO. (2) Benefits-in-kind comprised provision of company motor vehicle, petrol allowance and phone bill.

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	Tun Arifin Bin Zakaria	Independent Director	108.0	57.5	-	-	-	-	165.5	108.0	57.5	-	-	-	-	165.5
2	Yeoh Jin Hoe	Non-Executive Non-Independent Director	73.8	30.0	360.9	90.0	-	-	554.7	197.6	39.0	5,360.8	2,258.0	15.5	-	7,870.9
3	Yeoh Jin Beng	Non-Executive Non-Independent Director	67.2	52.2	-	-	-	-	119.4	117.2	52.2	-	-	-	-	169.4
4	Foo Kee Fatt	Independent Director	100.2	51.5	-	-	-	-	151.7	200.4	60.5	-	-	-	-	260.9
5	Datuk Dr. Syed Hussain Bin Syed Husman, J.P.	Independent Director	106.8	7.5	-	-	-	-	114.3	106.8	7.5	-	-	-	-	114.3
6	Rajaretnam Soloman Daniel	Independent Director	100.2	57.5	-	-	-	-	157.7	100.2	57.5	-	-	-	-	157.7
7	Kee E-Lene	Independent Director	73.8	50.3	-	-	-	-	124.1	73.8	50.3	-	-	-	-	124.1
8	Marc Francis Yeoh Min Chang	Executive Director	67.2	7.5	686.2	200.0	7.2	-	968.1	117.2	96.9	3,130.8	948.0	31.1	-	4,324.0
9	Goh Teck Hong	Executive Director	67.2	14.9	582.7	168.0	31.3	-	864.1	67.2	14.9	1,131.3	248.0	31.3	-	1,492.7
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
13	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

14	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
15	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.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Board considered the information of the remuneration of the top 5 Senior Management personnel to be sensitive and proprietary in view of the competitive nature of the human resource market and such confidentiality supports the Company's efforts to attract and retain executive talent.</p> <p>The transparency and accountability aspects of corporate governance applicable to the remuneration of these personnel are deemed appropriately served by the disclosures of their remuneration in categories and bands of RM50,000 as disclosed in Page 91 of the Annual Report 2025 under the CG Overview Statement.</p> <p>The Board ensures that the remuneration of the Senior Management commensurate with the overall performance of the Group and the general economic situation, with due consideration to attract, retain and motivate Senior Management to lead and run the Group successfully.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	Choose an item.

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

**Intended Outcome**

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

**Practice 8.3 - Step Up**

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

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Chairman of the ARMC is Foo Kee Fatt while the Chairman of the Board is Tun Arifin Bin Zakaria.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The policy that requires a former key audit partner to observe a cooling-off period of at least 3 years before being appointed as a member of the Audit Committee is stipulated in the existing TOR of the ARMC.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has in place the External Auditors' Assessment Policy and had carried out an annual assessment on the performance, suitability and independence of the external auditors based on the following 6 keys areas:</p> <ul style="list-style-type: none"><li>(a) competence and quality of service;</li><li>(b) sufficiency of resources;</li><li>(c) ability to meet deadlines and responding to issues in a timely manner;</li><li>(d) communication and interaction with the Management;</li><li>(e) independence, objectivity and professionalism; and</li><li>(f) whether there are any reprimand or sanction imposed by Audit Oversight Board.</li></ul> <p>The External Auditors' Assessment Policy is available on the Company's website at <a href="http://www.canone.com.my">www.canone.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The ARMC of the Company consists entirely of Independent Directors. They are: <ol style="list-style-type: none"><li>1. Foo Kee Fatt (Chairman)</li><li>2. Datuk Dr. Syed Hussain Bin Syed Husman, J.P. (Member)</li><li>3. Rajaretnam Soloman Daniel (Member)</li></ol>

### 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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The members of the ARMC possess the necessary skills to discharge their duties and are financially literate. The profile of the ARMC Chairman, Foo Kee Fatt is provided in Page 8 while ARMC members, Datuk Dr. Syed Hussain Bin Syed Husman, J.P. and Rajaretnam Soloman Daniel's profiles are provided in Pages 9 and 10 of the Annual Report 2025.  Details of webinars, conferences and dialogues attended/participated by each of them during FYE 2025 are disclosed in Pages 96 to 98 of the Annual Report 2025.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Group has in place an effective risk management and internal control framework to identify and assess the risks faced by the Group and thereafter, to implement and monitor appropriate internal controls to manage and mitigate those risks. The details of the framework are disclosed in the Statement on Risk Management and Internal Control in Pages 106 to 110 of the Annual Report 2025.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group has established a system of risk management and internal control designed to identify, evaluate and manage the principal risks faced by the Group in achieving its business objectives and strategies.</p> <p>The system is aligned with the principles of the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Enterprise Risk Management (“<b>ERM</b>”) Framework and is embedded within the Group’s governance structure and key management processes. It addresses strategic, operational, financial, compliance, sustainability and emerging risks, including cybersecurity, digitalisation and artificial intelligence, and climate-related risks.</p> <p>The system is designed to manage risks within acceptable levels rather than eliminate all risks and can therefore only provide reasonable, but not absolute, assurance against material misstatement, loss or failure to achieve business objectives and safeguard shareholders’ interests.</p> <p><b><u>Risk Governance Structure</u></b></p> <p>The Group's risk governance structure reflects a Three Lines Model and comprises multiple levels of oversight and accountability:</p> <ul style="list-style-type: none"><li>• The Board retains overall responsibility for the Group's system of risk management and internal control and for reviewing its adequacy and effectiveness.</li><li>• The ARMC assists the Board by providing oversight of the adequacy and effectiveness of the Group's risk management and internal control systems, including sustainability-related and climate-related risks.</li><li>• The RMEC, chaired by the Group MD, provides executive oversight of Group-wide risk exposures, ensures alignment between risk management, strategy and operations, and approves key risk actions and mitigation plans.</li><li>• The Corporate RMSWG supports the operationalisation of ERM, integrates Environmental, Social, and Governance (ESG)-related risk factors and ensures consistency across risk registers and sustainability reporting.</li></ul>

- The Operational RMSWG act as risk owners responsible for identifying, assessing and monitoring operational and site-level risks within the Group's business units.

Independent assurance is provided by the in-house Internal Audit Department and external independent consulting firms, who report to the Board through the ARMC on the adequacy and effectiveness of the Group's internal control system.

### **Key Internal Control Measures**

The internal control measures described below are designed to support compliance, safeguard assets and ensure reliable operations. Control gaps or weaknesses identified through management reviews, Internal Audit, or external assessments are reviewed and monitored through management oversight.

#### **A. Technology, Digitalisation and Automation**

The Group recognises risks associated with increased reliance on technology, digitalisation and automation within its operations. Relevant policies, governance arrangements and general control principles are in place to guide the use of technology and automated processes, including access management, segregation of duties and change management considerations. Technology-related risks are considered as part of management discussions, with oversight being strengthened through the Group's digitalisation and Artificial Intelligence (AI) transformation roadmap.

#### **B. Cybersecurity and Data Integrity**

The Group has established information technology security policies to safeguard the confidentiality, integrity and availability of information systems and data. Controls include Information Technology (IT) security policies, access management, data protection measures and incident response procedures. Cybersecurity and data-related matters are considered by management and escalated through established governance channels where appropriate.

#### **C. Workforce and Human Capital**

The Group maintains policies and practices relating to workforce capacity, competence and accountability. These include documented human resource policies, clearly defined roles and responsibilities, performance management processes, training and development programmes, and succession considerations for critical roles. Workforce-related matters are monitored through management reviews and addressed through operational and strategic actions.

#### **D. Climate-Related Adaptation and Mitigation**

The Group recognises climate-related risks and considers such risks in a manner appropriate to the nature and scale of its operations. Physical climate risks are considered through business continuity planning and site-level controls to mitigate potential operational disruption and asset exposure. Climate transition risks are addressed through the Group's decarbonisation direction and roadmap, including initiatives relating to renewable energy adoption and energy efficiency improvements. Water-related risks are managed through conservation practices and the use of alternative water sources, noting that the Group's operating locations are not currently situated in water-stressed regions.

Climate-related considerations, including energy efficiencies and emissions reduction priorities, are incorporated into capital expenditure planning, operational efficiency initiatives and sustainability initiatives, with oversight exercised through management reviews and addressed through operational and strategic actions.

#### **E. Macroeconomic and Geopolitical Volatility**

The Group considers external risks arising from macroeconomic conditions, market volatility and geopolitical developments as part of management's review of business performance and operating conditions. These considerations inform management decision-making, contingency planning and governance discussions, with escalation through established channels where appropriate.

#### **F. Anti-Bribery, Corruption and Fraud**

The Group has established a governance framework to address fraud, bribery and corruption risks, including a Code of Conduct, Anti-bribery and corruption policies, delegation of authority limits and related governance arrangements. Matters arising from Internal Audit activities or other management channels are addressed in accordance with established procedures, with governance oversight exercised where appropriate. Whistleblowing mechanisms are administered independently with due regard to confidentiality, in accordance with the Group's governance arrangements.

#### **G. Human Rights and Supply Chain Practices**

Human rights and supply chain risks are addressed through the Group's Supplier Code of Conduct, which sets out expected standards for suppliers relating to labour practices, ethical conduct and responsible sourcing. These standards inform management's approach to supplier-related governance considerations.

	<p><b>H. Personal Data Protection and Regulatory Compliance</b></p> <p>The Group maintains policies and procedures to support compliance with applicable personal data protection and regulatory requirements. These policies provide guidance on data handling, access controls, and awareness considerations. Regulatory and compliance matters are considered by management and addressed through established governance arrangements where appropriate.</p> <p><b><u>Adequacy and Effectiveness</u></b></p> <p>The Board, having received reasonable assurance from the Group MD, Group Finance Director and Group Chief Operating Officer, is satisfied with the adequacy and effectiveness of the Group's risk management and internal control system for the FYE 2025 and up to the date of approval. There were no material internal control weaknesses that resulted in material misstatement, losses, uncertainties or contingencies requiring disclosure.</p>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

**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.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In discharging its function, the Group utilises the in-house Internal Audit team as well as the services of external independent consulting firms (collectively, “<b>Internal Auditors</b>”) to undertake independent, regular and systematic review of the system of internal controls, and compliance within the Group based on the approved Group Internal Audit Plan to provide reasonable assurance on the adequacy and effectiveness of governance, risk management and the internal control systems. The Internal Auditors provide the Committee with independent and objective reports on the state of internal controls of the Group’s operations, the extent of the entities’ compliance with the Group’s policies, procedures and relevant statutory requirements, and make recommendations, where necessary. The Committee then deliberates on the internal audit reports to ensure recommendations made are duly acted upon by the Management.</p> <p>The internal audit function are set out in the ARMC Report on page 105 and in the Statement on Risk Management and Internal Control on page 109 of the Annual Report 2025.</p> <p>The annual Group Internal Audit Plan is reviewed and approved by the ARMC before each financial year. The plan is developed based on the risk profile and analysis of the Group’s businesses as well as past experience. The internal audit focuses its resources on high-risk areas, which are audited more frequently than low-risk areas. For FYE 2025, internal audit reviews were focused on operational efficiencies, compliance and financial controls. The findings of the internal audits, along with proposed recommendations and management responses, are presented at the ARMC meetings for deliberation. The ARMC’s expectations on the corrective measures are communicated to the respective heads of departments and business units.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		

## 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The internal audit (“IA”) function for the Group [excluding Kian Joo Can Factory Berhad group of companies (“<b>KJCFB Group</b>”), Box-Pak (Malaysia) Bhd. group of companies] in FYE 2025 was outsourced to an external independent consulting firm, LitmanGerson &amp; Associates, LLP (“<b>LGA</b>”) and Tan Yen Yeow &amp; Company (“<b>TY &amp; Co.</b>”).</p> <p>Except for the above outsourced work, the in-house audit team conducted all internal audit activities.</p> <p>During FYE 2025, LGA [Certified Public Accountants (“<b>CPA</b>”) in Massachusetts, United States of America (“<b>USA</b>”)], was appointed as the internal auditors for Can-One (USA), Inc. (“<b>Can-One USA</b>”), a wholly-owned subsidiary company incorporated in Delaware, USA, to conduct quarterly assessment on the process and internal controls of Can-One (USA)’s plant in New Hampshire, USA.</p> <p>The Audit and Assurance team of LGA is headed by 2 experiences partners:</p> <ul style="list-style-type: none"> <li>➤ <u>Steve Sieker</u> - a licensed CPA with 36 years in combined experience in public accounting and corporate finance management/leadership roles. His experience includes time in the audit practice of Coopers &amp; Lybrand [now PricewaterhouseCoopers (PwC)]. He has led corporate finance teams that include internal audit functions on multiple occasions, within professional services, manufacturing, and holding company environments. He has also conducted internal audit work for multiple clients as part of his role at LGA.</li> <li>➤ <u>Matthew Michienzi</u> - A licensed CPA with 18 years of experience in public accounting, including 15 years at RSM prior to joining LGA. His focus is on audit, assurance, and business consulting services, with industry specialisation in manufacturing, distribution, construction, and professional services.</li> </ul>

	<p>The LGA carried out its Internal Audit work in accordance with the Institute of Internal Auditors’ International Professional Practices Framework (“<b>IPPF</b>”). LGA is free from any relationships or conflicts of interest, which could impair the objectivity and independence of the Audit and Assurance team. The Audit and Assurance team of LGA adopts risk-based approach in developing its audit plan while also incorporating input from those within Can-One who are charged with governance.</p> <p>The IA team of TYY &amp; Co. is headed by the Director, Tan Yen Yeow. He is a Chartered Accountant registered with the MIA. He is also a member of The Institute of Internal Auditors Malaysia and a Certified Internal Auditor. The IA team of TYY &amp; Co. is free from any relationships or conflicts of interest, which could impair the objectivity and independence of the team. The IA adopts a risk-based approach in developing its audit plan and addresses core auditable areas of the Group based on their risk profile.</p> <p>The IA Department of KJCFB Group governs itself by adhering to the Institute of Internal Auditors’ IPPF. In addition, the IA Department maintains a quality assurance and improvement program that covers all of the IA activity (including ongoing internal assessments and external assessments) in order to meet the IPPF standard requirements. The total number of auditors in the IA Department during the FYE 2025 was 7. None of the IA Department staff has family relationship with any Director and/or major shareholder of the Company. The IA Manager, Chandran A/L Kottamuthu holds a Degree in Business Admin (Hons) from University Utara Malaysia, Diploma in Planning and Strategic Management and is a Certified System Investigator. He has many years of IA experience working in the manufacturing and retail industries. The IA function adopts a risk-based approach in developing its audit plan and addresses key audit areas of the Group based on their risk profile. Ad-hoc investigations and special reviews are also carried out when requested.</p>	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Group's latest financial performance and material business/ corporate matters affecting the Company are made available to shareholders and investors through the Company's Annual Reports, the various disclosures and announcements made by the Company to Bursa Securities and the Company's website at <a href="http://www.canone.com.my">www.canone.com.my</a> .  The AGM provides the principal platform for dialogue and interactions with the shareholders on an annual basis.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

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

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>At least 28 days' notice period was given in respect of the Company's Twenty-First AGM which was held on 25 June 2025. The notice convening the said AGM was dated 29 April 2025.</p> <p>Likewise, at least 28 days' notice period will be given for the Company's forthcoming Twenty-Second AGM to be held in June 2026, as set out in the Notice of Twenty-Second AGM dated 28 April 2026.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>All 9 Directors of the Company attended the Twenty-First AGM of the Company which was held physically at Conference Room, Lot 4, Jalan Perusahaan Dua, 68100 Batu Caves, Selangor Darul Ehsan, Malaysia on 25 June 2025.</p> <p>Barring any unforeseen circumstances, all the Directors have confirmed their attendance and participation for the forthcoming Twenty-Second AGM which will be held physically on 24 June 2026.</p> <p>The Board members who are also Chairman of the Board Committees have always been present at the AGM to respond to questions raised by the shareholders if addressed to them.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>Effective 1 March 2025, following a joint announcement by Bursa Malaysia Berhad and the Securities Commission Malaysia, listed issuers are required to hold general meetings in either a hybrid or physical format.</p> <p>In compliance with the requirement, the Twenty-First AGM of the Company held on 25 June 2025 was held physically at an accessible venue allowing shareholders and proxies to attend physically. Shareholders who were unable to attend and vote at the AGM were encouraged to submit proxy forms, either in hard copy or via electronic means, to appoint proxies/representatives to attend and vote in their absence.</p> <p>The Company did not utilise technology to facilitate remote shareholder participation at the Twenty-First AGM, taking into consideration its relatively small shareholder base. In this regard, the adoption of such technological solutions was assessed to be neither cost-effective nor practical.</p> <p>Nevertheless, the Company remains committed to leveraging technology to enable remote participation in general meetings, where appropriate, particularly in the event of an increase in the number of shareholders.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	Choose an item.

### Intended Outcome

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

### Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>The Twenty-First AGM of the Company was held physically and was attended by all the Directors, Senior Management and the External Auditors.</p> <p>During the Twenty-First AGM, a question-and-answer session was opened to the shareholders and proxies to pose questions on the Company's financial statements and other agenda items for adoption at the AGM.</p> <p>The Chairman ensured that sufficient opportunities were given to shareholders and proxies to raise questions prior to the resolution being put to vote, and that any questions raised, together with the responses thereto, would be duly recorded in the minutes of Twenty-First AGM and published on the Company's website.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### Intended Outcome

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

### Practice 13.5

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

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

**Intended Outcome**

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

**Practice 13.6**

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The Minutes of Twenty-First AGM of the Company which was held on 25 June 2025 was posted on the Company's website on 18 July 2025.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

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

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

Click or tap here to enter text.

