

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5105
COMPANY NAME : Can-One Berhad
FINANCIAL YEAR : December 31, 2024

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	The responsibilities of the Board of Directors of Can-One Berhad ("Can-One" or "the Company") ("Board") 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 ("CG Overview Statement") in the Annual Report 2024. In discharging its duties, the Board is assisted by the Board Committees namely, the Audit and Risk Management Committee ("ARMC"), Remuneration Committee ("RC") and Nominating Committee ("NC"). Each Committee operates within its respective defined Terms of Reference ("TOR") 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 ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Malaysian Code on Corporate Governance ("MCCG").
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.2

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 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. Further details of the responsibilities of the Chairman of the Board are set out in the Board Charter.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the Board, Tun Arifin Bin Zakaria is a Senior Independent Non-Executive Director, while Marc Francis Yeoh Min Chang is the Group Managing Director. There is a clear and distinct division of responsibilities between the Chairman and the Group Managing Director 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.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
Application	:	Applied
Explanation on application of the practice	:	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.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	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. 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 & May from September 2015 to December 2022 in General Litigation and Conveying Practice. From October 2014 to August 2015, she served as Legal, Risk & 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. 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. The Company Secretaries' responsibilities are set out in the Board Charter.
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 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.	
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 of the Company serves as a source of reference and primary induction literature, providing insight to prospective Board members and the Senior Management. The roles and responsibilities of the Board, Board Committees, Chairman, Managing Director/Executive Directors, Non-Executive Directors, Senior Independent Non-Executive Director, Independent Non-Executive Directors 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. 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. The revised Board Charter was approved by the Board and adopted on 21 November 2024. The Board Charter is available on the Company's website at www.canone.com.my.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	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. There is also in place, a 'Policy on Corporate Code of Conduct' ("Code"), 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: • compliance with rules and regulations; • conflict of interest; • confidentiality; • safeguarding of the Group's intellectual property and assets; • prevention of abuse of power; and • Anti-Corruption. The said Policy, standard operating procedure and the Code are all available on the Company's website at www.canone.com.my.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Company has in place a Policy on Whistle-Blowing which includes the procedures on whistle blowing. The Policy on Whistle-Blowing is available on the Company's website at www.canone.com.my .	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.1

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

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

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

Application	: Applied
Explanation on application of the practice	The Board of the Company is responsible for setting the Group's sustainability strategies. The Governance Structure for Box-Pak's sustainability management is set out below. <pre>graph TD; A[Board of Directors] --> B[Audit and Risk Management Committee]; B --> C[Sustainability Reporting Executive Committee]; C --> D[Risk Management and Sustainability Working Groups ("RMSWG")];</pre> The diagram illustrates a four-level governance structure. At the top is the 'Board of Directors'. A vertical line connects it to the 'Audit and Risk Management Committee' below. Another vertical line connects that to the 'Sustainability Reporting Executive Committee'. A final vertical line connects that to the 'Risk Management and Sustainability Working Groups ("RMSWG")' at the bottom. All boxes are yellow with black text and are connected by a central vertical line. The Board is ultimately responsible for the Group's sustainability. It assume full responsibility for overseeing the Group's risk management and sustainability agenda, including climate-related risks and opportunities. The ARMC also serves as the Sustainability Executive Committee. The ARMC and Sustainability Reporting Executive Committee approves sustainability strategy and targets, policies, materiality assessment process outcome and sustainability statement; ensures the integration of sustainability and climate-related risks and opportunities within the Group's Enterprise Risk Management; monitors implementation of sustainability strategies and policies and performance against targets;

	and receives updates and advises Board on sustainability matter semi-annually. The RMSWG includes cross-functional leaders from senior and middle management across operating entities, with the Corporate Sustainability department acting as the coordinator. It identify, assess, and mitigate risks, including climate-related, while also incorporating climate opportunities impacting operating entities; aligns practices at operating company level with the Group's sustainability agenda and strategy; and supports the Executive Committee with executing and monitoring sustainability activities and performance against target. The Terms of Reference for the Board, Committee, and Working Groups were updated during financial year ended 31 December ("FYE") 2024 to include climate-related risks and opportunities considerations.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.2

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 Sustainability Report ("Report"), which outlines the Company's strategies, priorities, targets, and performance against those targets, is available on the Company's corporate website at www.canone.com.my for easy public access. The Report is also shared with the RMSWG, which consist of cross-functional leaders from senior and middle management across operating entities. At the operating entity level, key information from the Report is communicated to employees through town hall meetings. Upon request, the Report is also shared with customers, government agencies and financial institutions. The Group's current materiality assessment involves evaluating the significance of each sustainability issue based on its impact and influence on the Group. By incorporating input from the Group's stakeholders, this process aims to identify and prioritise key issues, which serve as the foundation for the Group sustainability efforts. In February 2024, the Group conducted a comprehensive materiality assessment in accordance with the Bursa Securities Sustainability Reporting Guide and Toolkit. The Group engaged both internal stakeholders, including Board members and employees, as well as external stakeholders such as customers, suppliers, financial institutions, government agencies, regulators, trade associations, local communities, and Non-Governmental Organisations (NGOs) across Malaysia, Vietnam, and Myanmar. The following were the Group's key targets and progress to-date: <table><tr><th>Material Matters</th><th>Targets</th><th>Current progress against targets</th></tr><tr><td>Product Innovation</td><td>Zero product recall from packaging material defects</td><td> No product recall cases reported or received for the FYE 2024 </td></tr></table>	Material Matters	Targets	Current progress against targets	Product Innovation	Zero product recall from packaging material defects	No product recall cases reported or received for the FYE 2024
Material Matters	Targets	Current progress against targets						
Product Innovation	Zero product recall from packaging material defects	No product recall cases reported or received for the FYE 2024						

	Material Matters	Targets	Current progress against targets
	Governance and Ethics	Zero bribery and corruption cases	5 whistleblowing reports received. These cases were investigated by the relevant parties authorised by the Group Managing Director and have been addressed and closed
		Zero breaches of customer privacy and data	There were no substantiated complaints concerning cyber security or customer privacy in 2024
	Responsible Waste Management	94% waste generated are diverted from landfill by 2027	97% of waste is recyclable
		Zero landfill waste by 2030	In progress
	Climate Change	50% reduction in Scope 1 & Scope 2 emission intensity by 2026	Scope 1+2 emission intensity reduced by 58% (Market-based with FYE 2020 as base year)
		70% reduction in Scope 1 & Scope 2 emission intensity by 2030	
		Net zero by year 2050	In progress
		10% reduction in water withdrawal intensity by 2030	Achieved 6% reduction in FYE 2024 for a cumulative 12% water withdrawal intensity (FYE 2020 as base year)
	Health and Safety	Zero employees and contractor fatality	No fatalities were recorded for employees and contractors in FYE 2024
		Lost Time Incident Rate (LTIR) below 2.0	LTIR 1.96
	Diversity & Fair Treatment	50% of female participation at management staff category by 2026	Achieved 48% for FYE 2024
	Explanation for departure		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	The Board is kept abreast via the bi-yearly Sustainability Report, and also meetings with the Group Managing Director, Executive Director, Head of Corporate Sustainability and Senior Management staff.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	Directors’/Key Officers’ Evaluation Form was made to include setting the Company’s sustainability strategies, priorities and targets, and identifying and addressing the material sustainability matters. The NC, conducted the evaluations of the Board and Senior Management in November 2024 using the Directors’/Key Officers’ Evaluation Form.	
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.

<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>	
Application	: Adopted
Explanation on adoption of the practice	Ho Yik Kit is the Head of Corporate Sustainability of the Group. His responsibilities include overseeing the implementation of the Group's sustainability strategy, communicates and coordinate with management, shareholders, customers and employees to address sustainability issues relating to environment, social and governance. He is a member of the Institute of Certified Sustainability Practitioners, International Society of Sustainability Professionals and is a Certified Sustainability Practitioner. He is also a member of Malaysian Institute of Accountants ("MIA"). During the FYE 2024 he attended the following: • Securities Commission Consultation webinar: National Sustainability Reporting Framework • Bursa New ESG Solution • Bursa Centralised Sustainability Intelligence ("CSI") Solution Launch • SGS ISO 14067 training • Bursa CSI Solution Training • Beyond ESG by KPMG • CSI Solution: GHG Emissions Workshop • Bursa Malaysia Workshop: IFRS Sustainability Standards • Bursa CSI Solution: Supplier Engagement & Scope 3 file guidance He successfully completed and obtained a Certificate in Sustainability and Climate Risk from Global Association of Risk Professionals during the year.

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 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. 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 & Board Committee Evaluation Form, Audit & Risk Management Committee Evaluation Form and Performance Evaluation Sheet - Board Committees. NC also conducted the Conflict of Interest assessment of each individual Director. The NC, after having conducted the abovementioned evaluation and assessment on 21 November 2024, concluded that each Director has the requisite competence, 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 current year under review. Directors, Foo Kee Fatt, Yeoh Jin Beng and Goh Teck Hong are due to retire by rotation at the conclusion of the forthcoming Twenty-First AGM of the Company on 25 June 2025 pursuant to Clause 82 of the Company's Constitution, and have offered themselves for re-election at the aforesaid AGM. The NC had endorsed the re-election of Directors, Foo Kee Fatt, Yeoh Jin Beng and Goh Teck Hong, who are due to retire by rotation at the conclusion of the Twenty-First AGM of the Company to be held on 25 June 2025 pursuant to Clause 82 of the Company's Constitution.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.2

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

Application	:	Applied
Explanation on application of the practice	:	As at 31 December 2024, the number of Independent Directors on the Board were 5 (55.6%). The composition of the Board were henceforth as: ➤ 1 Independent Non-Executive Chairman; ➤ 4 Independent Non-Executive Directors; ➤ 2 Non-Independent Non-Executive Directors; ➤ 1 Group Managing Director; and ➤ 1 Executive Director The Directors with their differing backgrounds and specialisations collectively bring with them a wide range of experience and expertise in areas such as economic, finance, investment, accounting and audit, marketing, risk management, legal, manufacturing, trading, property development and investment. The profiles of the Directors are disclosed on Pages 5 to 10 of the Annual Report 2024. 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.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.3

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

Intended Outcome

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

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.

Application	:	Adopted
Explanation on adoption of the practice	:	The Company has implemented a cumulative 9-year term limit without further extension for Independent Directors via the update of its Board Charter on 25 November 2021.

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 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 Non-Executive Directors, they must meet the independence criteria defined in the MMLR of Bursa Securities. The Company has in place the Board Diversity Policy which was revised and approved for adoption on 25 November 2021. All the Directors were able to devote the required time to serve the Board in FYE 2024, as shown in the details of the Directors' attendance at the Board meetings set out in Page 94 of the Annual Report 2024 and the attendance by members at the respective Board Committees meetings as disclosed in Pages 86, 89 and 102 of the Annual Report 2024. All the current Directors of the Company do not hold existing board positions in more than 5 listed companies.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied	
Explanation on application of the practice	:	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: ➤ Referrals from Board members, management and major shareholders ➤ Directors' registry (e.g. Institute of Corporate Directors Malaysia) ➤ Industry and professional associations ➤ Independent search firms The aforesaid policy is to be practiced in conjunction with the Board Diversity Policy of the Company.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	The Board had evaluated Directors, Foo Kee Fatt, Yeoh Jin Beng and Goh Teck Hong, who are standing for re-election at the Twenty-First AGM of the Company which will be held on 25 June 2025 using Directors'/Key Officers' Evaluation Form, Board & 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, where applicable, 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 2024 and, where relevant, his independence. Based on the evaluation result, the aforesaid retiring Directors met the performance criteria required of an effective member of the Board. Foo Kee Fatt, who is an Independent Director continued to demonstrate objectivity and independence in his judgement. The profile of each of the abovementioned Directors is set out on Pages 6 and 8 in the Annual Report 2024 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. 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-First AGM of the Company dated 29 April 2025.
Explanation for departure	:	

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

Intended Outcome

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

Practice 5.8

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

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

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board acknowledges the importance of Board diversity, including gender diversity, for the effective functioning of the Board. The Board had, on 24 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>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 5.10

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

Application	:	Applied	
Explanation on application of the practice	:	The Board has disclosed the Gender Diversity Policy on Page 92 in the Annual Report 2024.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	On 21 November 2024, 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 Solomon 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 caliber to serve on the Board and the Board Committees and had continued to demonstrate his commitment to the Company in terms of time, participation and dialogue during the FYE 2024. (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

	MIA or a person approved under the MMLR of Bursa Securities is also met. The Practices set out in the MCCG pertaining to the composition of the ARMC have also been adopted. (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. The Board members unanimously concurred with the above conclusions of the NC.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	The Company has 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 www.canone.com.my.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied	
Explanation on application of the practice	:	The Company has a RC and the RC’s Terms of Reference is set out in the Board Charter of the Company which is available on the Company’s website at www.canone.com.my .	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	Detailed disclosure of the remuneration breakdown of each Director on a named basis for FYE 2024 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	80.4	64.0	-	-	-	-	144.4	80.4	64.0	-	-	-	-	144.4
2	Yeoh Jin Hoe	Non-Executive Non-Independent Director	101.4	7.5	-	-	-	-	108.9	225.2	16.5	4,459.0	2,238.0	15.5	-	6,954.2
3	Yeoh Jin Beng	Non-Executive Non-Independent Director	67.2	57.5	-	-	-	-	124.7	117.2	57.5	-	-	-	-	174.7
4	Foo Kee Fatt	Independent Director	100.2	55.3	-	-	-	-	155.5	199.2	64.3	-	-	-	-	263.5
5	Datuk Dr. Syed Hussain Bin Syed Husman, J.P.	Independent Director	106.8	56.0	-	-	-	-	162.8	106.8	56.0	-	-	-	-	162.8
6	Rajaretnam Soloman Daniel	Independent Director	100.2	46.2	-	-	-	-	146.4	100.2	46.2	-	-	-	-	146.4
7	Kee E-Lene	Independent Director	73.8	56.0	-	-	-	-	129.8	73.8	56.0	-	-	-	-	129.8
8	Marc Francis Yeoh Min Chang	Executive Director	67.2	7.5	546.8	160.0	7.2	-	788.7	117.2	44.6	2,634.2	728.0	41.3	-	3,565.3
9	Goh Teck Hong	Executive Director	67.2	7.5	541.9	156.0	13.3	-	786.3	67.2	7.9	1,021.9	226.0	13.3	-	1,336.3
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.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	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. The transparency and accountability aspects of corporate governance applicable to the remuneration of these staff are deemed appropriately served by the disclosures of their remuneration in categories and bands of RM50,000 as disclosed in Page 89 of the Annual Report 2024 under the CG Overview Statement. 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.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied	
Explanation on application of the practice	:	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: (a) competence and quality of service; (b) sufficiency of resources; (c) ability to meet deadlines and responding to issues in a timely manner; (d) communication and interaction with the Management; (e) independence, objectivity and professionalism; and (f) whether there are any reprimand or sanction imposed by Audit Oversight Board. The External Auditors' Assessment Policy is available on the Company's website at www.canone.com.my.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The ARMC of the Company consists entirely of Independent Directors. They are: 1. Foo Kee Fatt (Chairman) 2. Datuk Dr. Syed Hussain Bin Syed Husman, J.P. (Member) 3. Rajaretnam Solomon Daniel (Member)

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 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 Solomon Daniel’s profiles are provided in Pages 9 and 10 of the Annual Report 2024. Details of webinars, conferences and dialogues attended/participated by each of them during FYE 2024 are disclosed in Pages 94 to 97 of the Annual Report 2024.	
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 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 105 to 110 of the Annual Report 2024.	
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 key features/element of the enterprise risk management framework are set out on pages 106 and 107 and key elements of the Group's internal control are set out on page 107 and 108 in the Statement on Risk Management and Internal Control of the Annual Report 2024. Key elements of the enterprise risk management framework include : (a) Risk Identification The RMSWG has categorised risks across political, economic, social, technological, environment, and legal ("PESTEL") dimensions, covering strategic, operational, reporting and compliance objectives. (b) Risk Quantification Risks are recorded in the enterprise risk register and assessed based on likelihood of occurrence and potential impact, classified as low, moderate, high and critical. (c) Risk Responses Priority is given to high and critical risks, with mitigation measures implemented to reduce residual risks to an acceptable tolerance level. Other risks are less prioritised and manage within the control of both management and plant operations. These lower-priority risks are monitored periodically and addressed through standard operating procedures, internal controls, and internal reporting mechanism to ensure the risk do not escalate. (d) Risk Control Strategies Existing control measures are evaluated for effectiveness, and new strategies are developed when necessary.

	(e) Monitoring and Review Risk profiles are continuously monitored and updated, ensuring risk management remains dynamic and responsive to changes. (f) Reporting Structure Each RMSWG reports to the Risk Management Executive Committee (RMEC), which in turn reports key risks and risk management activities to the ARMC for review and oversight. The key elements internal control include: (a) Delegation of Authority Delegation of authority including authorisation limits at various level of Management and those requiring the Board's approval are documented and designed to ensure accountability and responsibility. (b) Business Performance Business performances were discussed periodically between the Group Managing Director, the Group Finance Director, the Group Chief Operating Officer and management team via management meetings. Group performances were presented to the Board by the Group Finance Director on a quarterly basis. (c) Human Capital There are documented policies and guidelines within the Group that cover the hiring and termination of employees. Each position has a clearly defined job description outlining roles and responsibilities. The Group provides continuous training and development programs to enhance employee competencies and productivity. Employee' performances are assessed via a systematic appraisal process, which includes rating criteria for each area of assessment. (d) Insurance Coverage Adequate insurance coverage and physical safeguards are in place for major assets to ensure the Group's assets are covered against any incident that could result in material loss. Management undertakes an annual insurance policy renewal exercise to review the coverage. This review is based on the costs listed in the Property, Plant and Equipment Register and their respective replacement values, where applicable. (e) Policies and Procedures Policies and procedures are in place, where applicable, and are regularly updated to reflect changing risks or to address operational efficiencies.
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	(f) Quality Credential Accreditations Certain subsidiaries have been accredited various certifications such as ISO 9001:2015 and Food Safety System Certification 22000. Documented internal procedures and standard operating procedures (“SOPs”) have been put in place since their accreditation. Surveillance audits are conducted by assessors from the credential certification bodies to ensure that the SOPs are properly implemented. (g) Information Technology (“IT”) The Group has established the IT Security Policy and implement the necessary security procedures to protect the confidentiality, integrity and availability of information systems and data. Potential risks such as network security risks, data protection risks and cybersecurity risks are mitigated through periodic technology risk assessment and relevant action plans. (h) Climate Change Regulations Stakeholders are increasingly demanding stricter climate change mitigation. The transition to a low-carbon economy has become a critical business imperative and a key license to operate in the industry. To align with this shift, the Group is actively collaborating with key supply chain partners to advance the Group’s decarbonisation roadmap.
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	

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	:	In discharging its function, the Group utilises the in-house Internal Audit team as well as the services of external independent consulting firms (collectively, “Internal Auditors”) 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. Details of the Internal Audit function are set out on Page 104 and Page 109 of the Annual Report 2024. 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 2024, 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.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

Practice 11.2

The board should disclose—

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

Application	:	Applied
Explanation on application of the practice	:	The internal audit (“IA”) function for the Group [excluding Kian Joo Can Factory Berhad group of companies (“KJCFB Group”), Box-Pak (Malaysia) Bhd. group of companies] in FYE 2024 was outsourced to an external independent consulting firm, LitmanGerson & Associates, LLP (“LGA”) and Tan Yen Yeow & Company (“TY & Co.”). Except for the above outsourced work, the in-house audit team conducted all internal audit activities. During financial year 2024, LGA [Certified Public Accountants (“CPA”) in Massachusetts, United States of America (“USA”)], was appointed as the internal auditors for Can-One (USA), Inc. (“Can-One USA”), 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. The Audit and Assurance team of LGA is headed by 2 experiences partners: ➤ <u>Steve Sieker</u> - a licensed CPA with 35 years in combined experience in public accounting and corporate finance management/leadership roles. His experience includes time in the audit practice of Coopers & 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. ➤ <u>Matthew Michienzi</u> - A licensed CPA with 17 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 specialization in manufacturing, distribution, construction, and professional services.

	The LGA carried out its Internal Audit work in accordance with the Institute of Internal Auditors' International Professional Practices Framework ("IPPF"). 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. The IA team of TYY & 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 & 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. 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 2024 was 8. 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.	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied	
Explanation on application of the practice	:	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 www.canone.com.my. The AGM provides the principal platform for dialogue and interactions with the shareholders on an annual basis.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied	
Explanation on application of the practice	:	At least 28 days’ notice period was given in respect of the Company’s Twentieth AGM which was held on 26 June 2024. The notice convening the said AGM was dated 30 April 2024. Likewise, at least 28 days’ notice period will be given for the Company’s forthcoming Twenty-First AGM which will be held on 25 June 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

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	:	At the Company’s Twentieth AGM which was held on 26 June 2024, the Directors of the Company participated at the said AGM virtually and live-streamed from the broadcast venue. Barring any unforeseen circumstances, all the Directors have confirmed their attendance and participation for the forthcoming Twenty-First AGM which will be held physically on 25 June 2025. 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.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied
Explanation on application of the practice	:	The Company held its Twentieth AGM on 26 June 2024 virtually and live-streamed from the broadcast venue. This had allowed shareholders to attend, ask questions to the Board via real time submission of typed texts and vote remotely (collectively, "participate") via the Remote Participation and Electronic Voting ("RPEV") facilities provided by the Company's poll administrator, KPMG Management & Risk Consulting Sdn. Bhd. ("KPMG MRC") via its ConveneAGM Meeting Platform at https://conveneagm.my/canoneagm2024. The virtual AGM is in compliance with the Company's Constitution, CA 2016 and other legal requirements.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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>		
Application	:	Applied
Explanation on application of the practice	:	Shareholders of the Company were given sufficient opportunity to pose their questions commencing 30 April 2024 before the Company's Twentieth AGM on 26 June 2024 and during the said AGM. The Company had made available the Administrative Details for the Twentieth AGM in the Annual Report 2024 and/or Circular to shareholders as well as on its website, which includes the steps to submit questions for the Board before the AGM and during the AGM via KPMG MRC's ConveneAGM Meeting Platform. During the Twentieth AGM, the Chairman of the Board had also informed the shareholders that they could raise questions in real time by transmitting their questions their questions via the RPEV facilities provided by KPMG MRC via ConveneAGM Meeting Platform at https://conveneagm.my/canoneagm2024. All the questions from shareholders were addressed by the Group Finance Director, after the conclusion of the agendas of the AGM.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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	:	Applied
Explanation on application of the practice	:	The Poll Administrator, KPMG MRC had verified the eligibility of shareholders/corporate representatives/proxies to attend the Twentieth AGM of the Company based on the General Meeting Record of Depositors as at 14 June 2024 and upon the cut-off date and time for proxy form submission. This online platform was secured exclusively for the members with approved registration for the RPEV at the Twentieth AGM of the Company. Each questions received from shareholders before and during the AGM were broadcasted to all meeting participants during the Question and Answer Session, as and when the Group Finance Director provided his responses to the respective questions accordingly in an orderly manner. Additional questions from shareholders received during the 10 minutes Polling Session were addressed before the announcement of results. The poll results of the Twentieth AGM of the Company were verified by the Scrutineers, Quantegic Services Sdn. Bhd. and the results of the poll were displayed on the screen when the Chairman of the Board declared that all the resolutions were duly carried.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
Application	:	Applied
Explanation on application of the practice	:	The Minutes of Twentieth AGM of the Company which was held on 26 June 2024 was posted on the Company's website on 23 July 2024.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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

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

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