

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7609
COMPANY NAME : AJIYA 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	:	<p>The Board of Directors ("Board") of Ajiya Berhad ("Ajiya") is responsible for overseeing and ensuring the overall sustainable performance of the Company and its subsidiaries ("the Group"). The Board remains mindful of its accountability to stakeholders in creating long term value and ensure the Group's continued success.</p> <p>The Board provides leadership and exercises oversight within the established frameworks, policies, procedures and terms of reference, to uphold good corporate governance practices across the Group.</p> <p>The Board is guided by the Board Charter, which outlines the principal roles and responsibilities and matters reserved for its decision-making. The Board Charter is reviewed and updated by the Board from time to time to ensure it remains relevant and appropriate.</p> <p>To ensure effective discharge of its duties and responsibilities, the Board is supported by relevant Board Committees, the Managing Director, and the Key Senior Management. The Board reviews reports and recommendations from Board Committees on both financial and non-financial matters. In situations where conflicts of interest exist, the Director concerned shall abstain from participating in deliberations and decision making process.</p> <p>The Board assumes, among others, the following principal roles and responsibilities:</p> <p>1. Strategic Oversight and Planning</p> <p>The Board is responsible for reviewing, approving, and monitoring the Group's overall strategic direction and ensuring that adequate resources are in place to achieve its objectives.</p>

	<ul style="list-style-type: none"> • Strategic Planning with Sustainability Focus: The Board ensures that the Group’s strategic plans incorporate sustainability considerations, reflecting its commitment to long-term value creation. <p>In November 2024, the Group conducted its Annual Business Planning Workshop, bringing together key senior and executive management. This brainstorming session addressed emerging opportunities, risks, and industry trends, leading to the formulation of strategic business plans, critical success factors, and action plans.</p> <p>Subsequently, in February 2025, Key Senior Management presented the business plans to the Board, which included 2025 budget, 2024 performance results, digitization initiatives and ESG initiatives. After review and discussion, the Board endorsed the budget and business plans.</p> <ul style="list-style-type: none"> • Matters Reserved for the Board: The Board reserves decision-making authority for matters such as operational restructuring, manufacturing facility consolidation, material acquisition and disposal of assets, corporate ventures, changes to the Group’s core activities, and amendments to board policy and procedures, and other key corporate plans. <p>2. Promoting Good Corporate Governance and Ethical Conduct</p> <p>The Board promotes good corporate governance across the Group by upholding and encouraging high standards of ethics, integrity, and accountability in all aspects of its operations.</p> <ul style="list-style-type: none"> • The Board has adopted policies such as the Code of Ethics and Conduct, Corporate Disclosure Policy, Whistleblowing Policy, and Anti-Bribery and Anti-Corruption Policy to guide Directors and employees. • The Board ensures the reliability, timeliness, and integrity of financial and non-financial reporting and compliance with relevant standards. • Standard operating policies and procedures with defined levels of authority approval are regularly reviewed by Heads of Departments to ensure strong internal controls and regulatory compliance. <p>3. Risk Management</p> <p>The Board is responsible for overseeing the Group’s Risk Management Framework to identify and address significant risks.</p> <ul style="list-style-type: none"> • The Risk Management Framework is designed to identify, analyze, and manage both financial and non-financial risks, with the ultimate objective of ensuring the sustained business
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	<p>performance of the Group, and to protect the Group from adverse outcomes and optimizing on opportunities.</p> <ul style="list-style-type: none"> • Through the Risk Management Committee (RMC) and operational-level Risk Management Steering Committee (RMSC), the Group implements risk management systems and governance to evaluate and manage significant risks. The RMSC works together with the operational department heads to identify, evaluate and manage the significant risks that impact the affairs of the business. • In October 2024, the RMC reviewed the Risk Management Report, which identified principal risks and outlined mitigation measures to address them. <p>4. Internal Controls</p> <p>The Board ensures the adequacy and effectiveness of the Group's internal control systems through the Audit Committee, supported by an internal audit function.</p> <p>The internal controls are designed to safeguard the Group's assets and protect the interests of shareholders. The Board continuously takes measures to enhance risk management and internal control systems in meeting the Group's strategic goals.</p> <p>5. Succession Planning</p> <p>The Board, through the Nomination Committee, ensures the orderly succession of Directors and Key Senior Management.</p> <ul style="list-style-type: none"> • The Nomination Committee reviews the existing composition of the Board, identifying the needs and recommends the appointment of suitable candidates to the Board. The Nomination Policy governs the appointment of new Board members, ensuring candidates meet the Board's skill and competency requirements. • The Managing Director, with the support from Human Resources department, implement and monitor the succession planning, talent management and human development program for Senior Management. On-going succession planning and trainings are in place to ensure orderly succession management. The Human Resources Department has established a structured competency assessment framework to support the development of potential successors. Management actively identifies and nurtures emerging talent, both internally and externally, for Senior Management positions.
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	<ul style="list-style-type: none"> The Nomination Committee conducts an annual review of senior management succession planning and talent development, which is held during the early months of each year. <p>6. ESG Strategies</p> <p>The Board emphasized sustainability and is committed to embedding Environmental, Social, and Governance (ESG) principles within the Group's operations.</p> <p>The Group has engaged an external consultant, a certified IFRS Integrated Reporting adviser, to enhance the Group's ESG information disclosure. This initiative aims to establish accurate baselines and set measurable targets, ensuring our reporting aligns with regulatory requirements. It reflects the Board's dedication to upholding best practices in sustainability reporting and meeting the expectations of our stakeholders.</p>	
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	:	<p>The Board is led by Datuk Seri Chiau Beng Teik, JP, who assumed the position of Executive Director on 6 May 2022. Subsequently, he was redesignated as the Non-Independent Executive Chairman on 1 July 2022. The roles and responsibilities of the Chairman are outlined in the Board Charter of the Company.</p> <p>The Chairman is primarily responsible for ensuring the effective functioning of the Board, instilling good governance practices and ensuring compliance with relevant rules and regulations while pursuing the objective of enhancing shareholders' values.</p> <p>The Chairman, with the assistance of the Company Secretaries, ensures the Board meetings agenda contain all relevant issues, including strategy, operational, finance, governance and compliance and the timely distribution of Board papers.</p> <p>The Chairman promotes boardroom environment that encourages constructive deliberation, enabling the Board to make informed decisions. He ensures that all decisions are made in the Group's best interests and reflect the collective consensus of the Board.</p> <p>The Chairman, representing the Board, and together with other Board members, ensure effective communication with stakeholders and that their views are communicated to the Board.</p> <p>Despite the Chairman holds the position of an Executive Director, the Board is of the view that the power and authority are balanced by the presence of a majority of Independent Non-Executive Directors on the Board. This, in turn, ensures an adequate element of independence. To further uphold the principles of good governance, the Chairman is not a member of any Board Committee, thereby maintaining a clear separation of responsibilities.</p>
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	:	<p>The positions of Chairman and Managing Director are held by separate individuals. The clear division of responsibilities between the Chairman and the Managing Director ensure a balance of power and authority.</p> <p>The Chairman's role encompasses instilling good corporate governance practices across the Group, ensuring compliances with relevant rules and regulations, overseeing the effective functioning of the Board, and ensuring effective communication with shareholders and other stakeholders.</p> <p>The Managing Director manages the business affairs and operational decisions of the Group. Supported by the Management team, the Managing Director ensures due execution of strategic plans, policies and procedures, assess business opportunities to drive growth and ensures the effective operations of the Group.</p> <p>The Board has been structured with a majority of Independent Non-Executive Directors to uphold objectivity in the boardroom and foster independent decision-making. This structure ensures effective governance, particularly given that the Chairman holds an executive role.</p> <p>The respective roles and responsibilities of the Chairman and the Managing Director are outline in the Board Charter, which are available on the Company's website at www.ajiya.com.</p>
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	:	<p>The Chairman of the Company is not a member of the Audit Committee, Nomination Committee, or Remuneration Committee.</p> <p>As outlined in the Board Charter, the Chairman of the Board shall not be a member of the Audit Committee, Nomination Committee, Remuneration Committee or Risk Management Committee to ensure independent oversight.</p> <p>In line with good governance practices, the Chairman is not invited to attend any Board Committees meetings, thereby maintaining the objectivity of these Committees.</p> <p>The Board Charter is available on the Company's website at www.ajiya.com.</p>
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	:	<p>The Board is supported by professionally qualified and competent Companies Secretaries who play a critical role in ensuring the smooth functioning of the Board. The Company Secretaries are Chartered Secretaries and members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). They are qualified to act as company secretary under Section 235 of the Companies Act 2016 ("CA 2016"). They also hold Practising Certificates for Secretaries under Section 241 of the CA 2016.</p> <p>The Directors have direct access to the advices and services of the Company Secretaries to enable them to discharge their duties effectively.</p> <p>The Company Secretaries provide support to the Board in fulfilling its fiduciary duties. They play an advisory role to the Board on matters relating to corporate governance best practices, adherence to Board policies and procedures, and compliance with relevant regulatory requirements.</p> <p>The Company Secretaries arrange all Board and Board Committees meetings in accordance with the required procedures. They attend meetings and ensure deliberations at the meetings are well recorded. The Company Secretaries play an important role in ensuring the processes and proceedings of General Meeting are properly managed and conducted in accordance with the Constitution and relevant rules and regulations.</p> <p>The Company Secretaries also ensure proper maintenance of statutory registers and books in compliance with regulatory requirements.</p> <p>The Company Secretaries facilitate the communication of key decisions and ensure an effective flow of information between the Board and Senior Management.</p> <p>The Company Secretaries prepare Board governance manual and arrange factory visits to the Group's operations for newly appointed Directors. The induction manual provides insights into the Board's function, encompassing details such as the Board Charter, minutes of the last Board meeting, the annual meeting timetable and the Company's annual report. The factory visits to the Group's operations</p>

	<p>enable the new Directors to gain a better understanding of the Group's businesses operations, the structure and management.</p> <p>The Company Secretaries also play a role in facilitating the conduct of annual Board and Board Committees Performance Evaluation process. They compile assessment results, generate Board Evaluation, Diversity and Skill Matrix report for submission to the Nomination Committee and the Board for review.</p> <p>The Company Secretaries constantly keep themselves updated on the regulatory changes and corporate governance development by attending relevant seminars and trainings programmes. This ensures they remain well-informed and equipped to provide support and guidance to the Board.</p>	
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 1.6

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	:	<p>To assist the Directors in planning their schedules, an annual meeting calendar is circulated in advance of each financial year. The calendar provides Directors with the scheduled dates for Board meetings, Board Committee meetings, and the Annual General Meeting, as well as details of the closed periods for dealings in securities by Directors. Reminder on closed periods dealing are also served to Directors and Key Senior Management prior to the targeted announcement date for the quarterly financial results.</p> <p>The meeting agenda and meeting papers are distributed to Directors electronically and, if necessary, in hard copy seven (7) days prior to the meeting. This ensures Directors have sufficient time to review the meeting papers and seek additional information or clarification as needed, to expedite the decision making process. Exception may be made when a time-critical decision is required. Additionally, electronic reminders are sent to Directors in advance of each meetings to ensure their preparedness.</p> <p>The Board schedules at least five (5) Board meetings annually, with additional meetings to be convened as and when necessary. Where in-person attendance is not feasible, meetings may be conducted electronically.</p> <p>Meeting papers and agenda tabled to the Board include financial statements, business performance and budget, regulatory updates and other operational and financial matters. Senior Management will be invited to participate in the meeting to provide insights or address specific issues, when necessary.</p> <p>Apart from the meeting materials, all Directors have direct access to the advices of the Company Secretaries. They also interact with the Management team for further clarification as and when necessary. The Board may also seek independent professional advices at the expense of the Company where necessary, to effectively discharge their duties.</p>

	<p>In situation where a conflict of interest arises, persists or may arise, Directors are required to disclose the nature and extent of conflict of interest as soon as practicable after the relevant facts come to their knowledge. Such Directors shall abstain from deliberations and voting on matters related to the said conflict of interest, ensuring impartial decision-making and protection of the Group's interests.</p> <p>The deliberations and decisions of meetings are recorded in a clear and accurate manner and are confirmed by the respective Chairman at the subsequent meetings. Any unresolved items requiring further action remain as matters arising in the minutes until they are resolved.</p> <p>The Chairman of Board Committees provide summaries of key matters discussed at their respective Committee meetings during Board meetings. The minutes of the Board Committee meetings are included in the Board meeting papers and circulated to all Board members.</p>	
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 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	:	<p>The Board has formally adopted a Board Charter, which was last reviewed and updated on 19 October 2023. The Board Charter serves as a primary reference document for the Directors in discharging their fiduciary duties. The Board Charter outlines the governance structures, duties and responsibilities of the Board of Directors, Board Committees, the Chairman, Managing Director, Independent Directors as well as matters reserved for the Board's decision-making. The Board Charter is also an induction document for newly appointed Directors, providing them with essential governance guidance and insights.</p> <p>The Board Charter set out the requirement for Directors to exercise their power in good faith, with integrity, and in the best interest of the Company. Directors are expected to discharge their duties with reasonable care, diligence and competency. Additionally, the fit and proper criteria for Directors are set out in the Board Charter to ensure all Directors uphold the highest standards of integrity and capability.</p> <p>The principal responsibilities of the Board include, among others, reviewing and adopting the Group's overall strategic direction, ensuring strategic plans incorporate sustainability considerations to support long term value creation, promoting a culture of sound corporate governance within the Group and, overseeing and evaluating the conduct and performance of the Group's business.</p> <p>While the Board retains ultimate accountability for the Group's performance, it delegates day to day management of the Group to the Managing Director who is supported by the Key Senior Management. Together, they are responsible for executing the Group's strategic objectives and ensuring effective operations across the Group.</p> <p>To further enhance its governance framework, the Board has delegated specific responsibilities to the Board Committees, which operate within the defined Terms of Reference. These Committees are empowered to assist the Board in carrying out its oversight and governance functions effectively.</p>

	<p>The Board reserves full decision making authority for matters such as material acquisition and disposal of assets, corporate plans and new ventures, changes to the Group's core activities, and amendments to board policy and procedures. The Board assumes full responsibility for overseeing the Group's overall performance.</p> <p>The Board Charter is reviewed and updated periodically to ensure it remain relevant, appropriate and comply with the prevailing regulations.</p> <p>The Board Charter is available on the Company's website at www.ajiya.com.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
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	:	<p>It is a fundamental policy of the Company and its subsidiaries ("the Group") to conduct its business operations in an ethical and legal manner. The Group is committed to upholding integrity and accountability across all levels of its operations as part of its drive for business sustainability.</p> <p>The Board has in place the Code of Ethics and Conduct (the "Code") adopted on 24 July 2013, setting out the principles and standards of business ethics and conduct to be observed by all Directors and employees. The Code was formalised to emphasize the Group's commitment to ethical conduct in all aspect of the Group's operation, as part of the key elements to business sustainability. The Board reviews the Code as and when necessary to ensure it remains relevant and effective, with the last review conducted in October 2023.</p> <p>The Code provides guidance for maintaining ethical conduct and sound business practices, emphasizing principles such as integrity, responsibility, trust, discipline and diligence.</p> <p>Directors and employees are required to act in good faith and in the best interest of the Company at all times. Directors and Key Senior Management are also expected to avoid involving themselves in any situation or transaction that may create, directly or indirectly a conflict between their personal interest and the Group's interest. Directors and employees are under a continuing obligation to disclose any conflict of interest that arose, may arise or persist to ensure the Group's interests are being protected. To strengthen its scope, the Code has been enhanced to provide specific guidelines for monitoring and managing conflict of interest situations.</p> <p>The Code also sets out guidelines in areas such as confidential information, inside information and securities trading, compliance obligation, environment and social responsibilities, as well as health and safety. The Code also address prohibited activities to protect the fund, assets and resources, ensuring they are used for legitimate</p>

	<p>business purpose and prohibits the misuse of funds, assets or information for personal gain.</p> <p>In line with its commitment to integrity, the Group has participated in initiatives such as the Malaysian Anti-Corruption Commission (MACC) Corruption-Free Pledge during an en-bloc signing ceremony organized by the Federation of Malaysian Manufacturers in 2018. The Group adopted the Anti-Bribery and Anti-Corruption Policy in June 2020 to strengthen its stance against corrupt practices.</p> <p>It is our commitment to stay honest and be corrupt free. Ajiya's Anti-Bribery and Anti-Corruption Policy set out the principles in preventing bribery and corruption and provides guidance to avoid improper solicitation, bribery and corrupt activities. All employees are required to declare that they have read, understand and abide by the policy. External parties engaged in regular business dealing or performing the work or services for or on behalf of Ajiya are required to signify their agreement to comply with the relevant provisions of the Policy.</p> <p>During 2024, the Group organized an in-house briefing on Conflict of Interest and, Anti-Bribery and Anti-Corruption for employees. This session aimed to foster a culture of integrity and maintain a healthy corporate environment within Ajiya.</p> <p>In April 2022, the Board established the Directors' Fit and Proper Policy setting out the fit and proper criteria for the appointment and re-appointment of Directors. This Policy ensures that every Director possess the character, integrity, competence and commitment necessary to discharge his role effectively.</p> <p>In addition, the Group also developed a comprehensive Handbook containing details of administrative terms and regulations, including guidelines on ethical conduct, anti-bribery and anti-corruption policy. All employees are required to declare their adherence to the Handbook, which also includes provisions for safeguarding confidential information obtained during employment.</p> <p>In addition, Directors and employees must avoid all form of money laundering activities and shall comply with all applicable laws, rules and regulations.</p> <p>Both the Code and the Anti-Bribery and Anti-Corruption Policy are available for reference on the Company's website at www.ajiya.com.</p>
Explanation for departure	:

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

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Whistleblowing Policy of the Company serves as an important mechanism for addressing wrongdoings and ensuring protection to whistleblowers. The Policy was last reviewed and approved by the Board in April 2025.</p> <p>The Policy provides an avenue for employees and associates to raise or report concerns in good faith, any suspected or known misconduct, wrongdoings, corruption, fraud and abuse of resources within the Company and its subsidiaries ("the Group").</p> <p>The identity of whistleblowers is protected to ensure confidentiality. Employees who report in good faith are safeguarded against any adverse and detrimental actions for disclosing improper conduct that has been or about to be committed within the Group.</p> <p>All reports of wrongdoings are channeled to the Audit Committee Chairman and the Head of Governance, Risk and Compliance ("GRC") team. All concerns raised will be tabled to the Audit Committee during its quarterly meetings for review and necessary action. The Board is overall responsible for ensuring the effective implementation of the Whistleblowing Policy and fostering a culture of integrity and accountability across the Group.</p> <p>For the current financial year, no reports were received through the whistleblowing channel.</p> <p>The Whistleblowing Policy is available for reference on the Company's website at www.ajiya.com.</p>
Explanation for departure	:	
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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	:	<p>The Board remains dedicated to continuously reviewing its strategic direction to achieve sustainable performance and long term value creation for its shareholders. The Board is responsible to ensure sustainability risks and opportunities are considered in setting the Group's strategic direction.</p> <p>The Management team plays a pivotal role in driving the strategic management of material sustainability matters. Led by the Managing Director and supported by Key Senior Management and the Sustainability Management Committee ("SMC"), the team ensures the effective implementation of the Group's sustainability strategies and initiatives. The SMC is responsible for embedding sustainable practices into the Group's core business strategy and ensuring that adequate processes and frameworks are in place to enhance the Group's resilience and achieve long-term sustainable performance.</p> <p>In January 2024, the SMC's governance structure has been strengthened to ensure effective implementation of sustainability initiatives across the Group. The SMC comprises the business division Chief Executive Officer and Heads of Department, with support from external consultant specializing in sustainable development matters. This strengthened governance ensures the Group remains well-positioned to address evolving sustainability challenges.</p> <p>The Group's strategy plans are developed taking into ESG sustainability considerations. Key initiatives includes, among others:-</p> <ul style="list-style-type: none">• Delivering innovative building material solutions designed to meet green building standards, support energy efficiency and reduce environmental impact.• Continuing efforts on solar photovoltaic systems installation at most of the Group's factories across Malaysia to reduce carbon footprint and energy costs.

	<ul style="list-style-type: none"> Proposed Implementation of ISO 14001:2015 Environmental Management System and SIRIM ECO-Labeling certification. Leveraging technology to enhance operational efficiency, customer engagement, and sustainable practices across the business. <p>These initiatives reflect the Board's commitment to driving sustainable growth and fostering a more environmentally responsible future.</p> <p>Ajiya's dedication to promoting green building solutions and fostering sustainable communities extends beyond operational practices, as demonstrated by our founding membership in the Malaysia Green Building Council (MGBC) since 2009. The Group has also been recognised by the Ministry of Environment and Water for its role in phasing out ozone-depleting substances under the Montreal Protocol.</p> <p>Ajiya's vision, encapsulated in the statement "To Enrich Wellbeing for the Community" reflects the Group's unwavering commitment of empowering society through the provision of high-quality sustainable products, and promoting a sustainable lifestyle for all.</p> <p>By integrating sustainability into its business strategy and operations, the Group remains steadfast in its efforts to create lasting value for stakeholders while contributing to the wellbeing of the communities it serves.</p>	
Explanation for departure		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
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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	:	<p>As a leading manufacturer of building materials, Ajiya is committed to operating in a manner that minimises our environmental impact, fosters social equity, and ensures good governance throughout our value chain.</p> <p>The Group communicates its sustainability strategies, priorities and targets, as well as performance against these targets to internal and external stakeholders through various channels. These include the annual report, sustainability statement, company website, social media platform, meetings, factory visits and technical trainings for business partners.</p> <p>The Management team actively engages with various stakeholders, including customers, suppliers, business partners, industry associations, local communities, non-governmental organisations, government authorities and employees. Through these collaborative platforms, the Group identifies material matters that are relevant to stakeholders' interests and aligns them with its sustainability initiatives.</p> <p>Ajiya has been a close industry partner of the Malaysian Green Building Council ("MGBC") since 2009. MGBC, supported by professionals, industry players and government sectors, plays a pivotal role in driving the sustainable practices and fostering the green buildings initiatives within the building industry.</p> <p>In the year 2024, the Group conducted a comprehensive double materiality assessment to identify the most significant issues relevant to our business and stakeholders. This approach evaluates the Group's impacts on the environment and society, as well as how ESG topics influence enterprise value creation. The assessment involved internal analysis, external benchmarking, and stakeholder engagement. The resulting materiality matrix guiding the selection of key performance indicators and the scope of our reporting.</p>

	The Sustainability Statement attached in the Annual Report 2024 provides an overview of the Group's engagement approach with stakeholders, our endeavors, commitment as well as the progress and strategic approach in addressing both the challenges and opportunities related to sustainability.			
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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	:	<p>The Board recognises the importance of understanding sustainability issues relevant to the Group in order to discharge its role effectively.</p> <p>The Directors continuously participate in training programs to stay updated on the latest sustainability developments and trends, including climate-related risks and opportunities.</p> <p>During the year, the Group organized a series of sustainability trainings and workshops for Directors and Management, conducted by an external consultant who is a certified IFRS Integrated Reporting adviser. These sessions aimed to enhance understanding of sustainability matters, including practices and challenges, regulatory requirements, materiality assessment, ESG KPI and targets setting, and climate related risks and opportunities.</p> <p>Recognising the accelerating climate crisis, the Group has incorporated the Taskforce on Climate-Related Financial Disclosures (“TCFD”) recommendations in transition to adopting IFRS S2, to enhance climate change mitigation and adaptation efforts. This includes aligning with relevant metrics and targets to ensure a structured and transparent approach to climate-related risks.</p> <p>In December 2024, the Group conducted a Climate Risk Assessment workshop to evaluate its exposure to climate-related risks and their potential impacts. This assessment involved representatives from various business operations within the Group. This approach strengthens the Group’s climate resilience and ensures that strategic decisions are guided by comprehensive risk analysis.</p> <p>This initiative reflects the Board’s increasing responsibility to ensure that the Group’s sustainability activities and disclosures align with relevant sustainability reporting frameworks and regulatory requirements.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board evaluation for the year 2024 included an assessment of ESG elements, focusing on the Board's effectiveness in overseeing the Group's management of ESG related issues.</p> <p>At the Board level, the evaluation assessed, among other aspects, the Board's and individual members' ability to:</p> <ul style="list-style-type: none">• Engage in robust deliberations on the Group's material ESG matters.• Evaluate the effectiveness of the Group's sustainability governance framework, particularly in identifying, managing, and reporting ESG risks, targets, and initiatives.• Monitor key sustainability targets and establish accountability for senior management to achieve these targets. <p>In line with the Group's sustainable strategic direction and business growth, the KPIs set for Senior Management and department heads incorporate sustainability risks and opportunities, as well as targets and action plans. These leaders are responsible for delivering desirable outcomes against the established targets, contributing to enhanced operating efficiency and long-term value creation.</p>
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 4.5- Step Up

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

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Managing Director, supported by the Key Senior Management, is responsible for overseeing the management and monitoring of sustainability related matters across the Company and its subsidiaries ("the Group").</p> <p>At the management level, the Sustainability Management Committee (SMC) has been established to ensure that sustainable initiatives and practices are embedded in our business operations. The SMC is tasked with ensuring that adequate processes are in place to ensure the Group remains resilient to deliver sustainable performance. The SMC is functioning with the support of an external consultant specializing in sustainable development to further strengthen its efforts on identifying, implementing, and monitoring sustainability targets and practices across the Group.</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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group is led by a diverse and competent Board with a wide range of expertise in building materials, property development, economics and management. The Board members bring specific skills in finance and accounting, internal control and risk management, which are appropriate to the Group's business.</p> <p>The Nomination Committee conducts its activities in accordance with the Nomination Policy, Diversity Policy and, Fit and Proper Policy. These policies guide the Committee in assessing the Board's composition, appointment and re-election of Directors, and the performance assessment of the Board. The detailed duties and responsibilities of the Nomination Committee are set out in its Terms of Reference.</p> <p>To facilitate a comprehensive review of the Board's composition, the Board's Diversity and Skill Matrix Report provides a detailed overview of the Board's size and structure. This Matrix includes information on gender diversity, skill set, knowledge and experience, length of services of each Director, membership in Board Committees, independent element of the Board and tenure of Independent Directors. The Diversity and Skill Matrix Report is reviewed annually by the Nomination Committee. The Matrix enable the Nomination Committee to have a productive discussion on the current constitution of the Board and its Committees, ensuring a balanced, diverse, and effective governance structure.</p> <p>The Nomination Committee continues to discharge its duties, ensuring the appointment of new Directors complements and strengthen the Board's composition and skill sets.</p> <p>The Company's Constitution provides that one third of the Directors shall retire by rotation at every Annual General Meeting. Additionally, any Director appointed during the year shall retire at the next Annual General Meeting. The Constitution also set out that all Directors shall retire from office once at least in each three years but shall be eligible for re-election.</p>

	<p>The Board assessed the performance of the retiring Directors, who are standing for re-election at the forthcoming 29th AGM:</p> <p>a) Datuk Seri Chiau Beng Teik, JP, Non-Independent Executive Chairman, and</p> <p>b) Ms. Er Kian Hong, Chairman of Audit Committee and a member of the Nomination Committee</p> <p>The annual assessment conducted in October 2024, together with the fit and proper declaration made in accordance with the Company's Fit and Proper Policy, form the basis and justification for recommending the retiring Directors' re-election at the next Annual General Meeting. The Board was satisfied with the favourable assessment results, which demonstrated their performance, contributions, and compliance with fit and proper requirements. The Board also acknowledged that their extensive experience in related industries continues to bring significant value to the Company. As such, the Board recommended the re-election of both Directors at the upcoming AGM.</p>	
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	:	<p>As of 31 December 2024, the Board comprises seven (7) members, with a majority being Independent Non-Executive Directors. The composition is as follows:</p> <ul style="list-style-type: none">● 1 Non-Independent Executive Chairman● 1 Managing Director● 1 Non-Independent Non-Executive Director● 4 Independent Non-Executive Directors <p>The majority representation of Independent Non-Executive Directors reflects the Board's commitment to upholding independence, ensuring greater checks and balances during the Board's deliberation and decision making process. The Independent Directors bring an external perspective, constructively challenge the Board and ensure the issues discussed are subject to objective and impartial consideration. The Board is satisfied that such composition ensures greater oversight effectiveness and safeguards the interest of stakeholders.</p> <p>Each Independent Director shall, upon appointment, provide a letter of confirmation of their independence, as defined under the Main Market Listing Requirements of Bursa Securities.</p> <p>The Independent Directors are required to provide annual declaration affirming their independence from management and free from any business or other relationship which could materially interfere with the exercise of independent judgement or the ability to act in the best interests of the Company.</p> <p>Apart from that, the Nomination Committee conducts an annual performance evaluation of each Independent Director based on specific criteria. The evaluation includes a review on the ability to exercise independent judgement, fit and proper, contribution and participation. Following the assessment conducted in October 2024, the Board was satisfied that all Independent Directors have exercised independent and objective judgement in the Board's decision making process. They are fit and proper, contributed valuable feedbacks and discharged their duty with due care while acting in the best interest of the Company.</p>

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	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges the MCCG recommendation that the cumulative tenure of an Independent Director should not exceed nine (9) years.</p> <p>The Board Charter set out that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. If the Board intends to retain an Independent Director beyond this limit without re-designating them as a Non-Independent Director, the Board must justify that the independency and objectivity of such Independent Director are not compromised. Additionally, the Board will seek annual shareholders' approval through a two-tier voting process, provided the cumulative tenure of the Independent Director does not exceed 12 years.</p> <p>Currently, none of the Independent Directors of the Company have exceeded the cumulative term limit of nine (9) years.</p>
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	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognizes that diversity at the Board and Senior Management is essential for achieving a balanced and sustainable growth for the Group. A diverse Board brings together varied perspectives, knowledge, skills, industry experience, which is crucial in maintaining the Group's competitive advantage. Hence, appointment of Directors and Senior Management is based on objective criteria and merits, while considering all forms of diversity in talent selection.</p> <p>The Board through the Nomination Committee, conducts an annual review of its composition and skill set to ensure alignment with the Group's strategic direction. The Board Diversity and Skill Matrix Report provides an overview of the Board's composition, skills, knowledge, and experience, enabling informed discussions on Board structure and effectiveness.</p> <p>In evaluating the suitability of candidates for Board appointments, the Nomination Committee is guided by the Nomination Policy and, Fit and Proper Policy. Selection will be based on a range of diversity perspective, including but not limited to skill and knowledge, character and integrity, experience and competence, existing board positions, independence and time commitment.</p> <p>The Board has a policy that Directors shall not hold more than five (5) directorships in listed corporations. Directors are expected to devote sufficient time to carry out their responsibilities effectively. Directors are required to notify the Chairman or the Company Secretary of any directorships held in other listed and non-listed companies, and any subsequent changes. In this respect, all Directors have to declare their board position in listed and non-listed companies before appointment and during the annual Board evaluation exercise.</p> <p>When evaluating potential candidates for Key Senior Management positions, the Managing Director considers the required knowledge, attributes, educational background, skill and experience that the candidate will bring to the Group. The Board believes that the Key</p>

	<p>Senior Management is of sufficient calibre to ensure the effective functioning of business operations.</p> <p>The Nomination Committee also reviews the Group's Senior Management succession plans and talent management updates, presented annually by the Key Senior Management.</p>	
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	:	<p>The Nomination Committee is guided by the Nomination Policy and, Fit and Proper Policy in the nomination and assessment of new Directors before recommending their appointment to the Board.</p> <p>As part of the nomination process, the Nomination Committee will, as appropriate, explore independent sources, in addition to recommendations from existing Board members, Management and major shareholders. These independent sources includes professional services firms and industry federations, ensuring a broader and more diverse selection of candidates.</p> <p>The Nomination Policy outlines the nomination and appointment process, as well as the assessment criteria to ensure an appropriate Board mix and composition, taking into consideration their experience and competences, character and integrity, time commitment and the Board's existing diversity.</p> <p>During the year 2024, there were no new appointments to the Board.</p>	
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	:	<p>The profiles and information of the Directors standing for re-election, including their age, gender, position, experience, relationship, any conflict of interest and related party transaction are set out in the Directors' Profile section of the Annual Report 2024 and Explanatory Notes to the Notice of the 29th Annual General Meeting.</p> <p>The performance, contribution and effectiveness of each Director standing for re-election are reviewed as part of the Board's annual evaluation process. The evaluation is based on criteria such as fit and proper, knowledge and integrity, contribution and participation, calibre and personality. For Independent Directors seeking re-election, the level of independence demonstrated in their role is also evaluated to ensure their continued ability to provide objective and unbiased oversight.</p> <p>At the forthcoming 29th Annual General Meeting, Datuk Seri Chiau Beng Teik, JP and Ms. Er Kian Hong will be retiring and have offered themselves for re-election. The Nomination Committee had assessed the retiring Directors and considered the following:</p> <ul style="list-style-type: none">a) the Directors' performance and contribution via self and peer performance evaluation.b) the criteria outlined in the Company's Fit and Proper Policy, which encompass probity, personal and financial integrity, experience and competence as well as time commitment.c) The level of independence demonstrated by the Independent Director. <p>Both retiring Directors, Datuk Seri Chiau Beng Teik, JP and Ms. Er Kian Hong had declared that they meet the criteria specified in the Company's Fit and Proper Policy.</p>

	<p>The annual performance evaluation, together with the fit and proper declaration form the basis and justification for recommending their re-election at the Annual General Meeting. The Board was satisfied with the assessment results, which confirmed their performance, contribution, fit and propriety. Additionally, the Board believed that their expertise, skills, extensive industry experience, and valuable insights will continue to benefit the Company. As such, the Board endorsed the Nomination Committee's recommendation for the re-election of Datuk Seri Chiau Beng Teik, JP and Ms. Er Kian Hong at the upcoming 29th Annual General Meeting.</p> <p>Directors standing for re-election and reappointment are abstained from deliberations and decision by the Board on their re-election and re-appointment.</p>	
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	:	<p>The Nomination Committee of the Company has been chaired by an Independent Director since its establishment on 19 April 2001.</p> <p>The Nomination Committee comprises entirely of Independent Non-Executive Directors. As of 31 December 2024, the composition of the Nomination Committee is as follow:</p> <table><tr><td>Dato' Boey Chin Gan</td><td>-</td><td>Chairman</td></tr><tr><td>Datuk Hj Mohd Yusri Bin MD Yusof</td><td>-</td><td>Member</td></tr><tr><td>Ms. Er Kian Hong</td><td>-</td><td>Member</td></tr></table> <p>The Nomination Committee is responsible for overseeing matters related to the nomination of new Director. It conducts annual review of the required mix of skills, experience and other requisite qualities of Directors as well as the assessment of the effectiveness of the Board as a whole, its Committees and individual Director.</p> <p>The roles and responsibilities of the Nomination Committee are outlined in its Terms of Reference which are available for reference at www.ajiya.com.</p>	Dato' Boey Chin Gan	-	Chairman	Datuk Hj Mohd Yusri Bin MD Yusof	-	Member	Ms. Er Kian Hong	-	Member
Dato' Boey Chin Gan	-	Chairman									
Datuk Hj Mohd Yusri Bin MD Yusof	-	Member									
Ms. Er Kian Hong	-	Member									
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 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	As of 31 December 2024, the Board comprises seven (7) Directors, including one (1) woman Director, representing 14% of the total Board members.	
		The Board acknowledges the benefits of having a diverse Board, including gender diversity, and believe that a diverse Board enhances a variety of opinions, perspectives and insights. The Board ensures there is at least one woman Director on the Board.	
		The Board is of the view that, while promoting gender diversity is important, selection criteria based on merit and values a candidate can contribute to the Board’s effectiveness remain the priority.	
		The Board continues to review the gender diversity and endeavours to promote 30% women representation on the Board, as guided by the Board Diversity Policy.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

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

Application	:	Applied
Explanation on application of the practices	:	<p>The Board recognizes the importance of diversity at all levels, including the Board, Senior Management, and across the workforce. Diversity fosters broader perspectives and insights, contributing to the Group's sustainable growth and development.</p> <p>To support this, the Board has in place a Diversity Policy for the Board and Senior Management. The policy outlines the Group's approach to diversity on the Board and its Senior Management for better decision making and create competitive advantages. The Diversity Policy was last revised in October 2022.</p> <p>With regard to gender diversity, the Nomination Committee ensures that all Board appointment and succession planning process are conducted in a manner that promote inclusion of woman, with at least one woman Director on the Board.</p> <p>While the Board is committed to fostering diversity, its primary objective in appointing new Directors is to select the most suitable candidate to build a high-performing Board. Appointments are made based on merit and value the candidate will bring to the Board, considering the skills, expertise, experience and attributes, without discrimination to gender, age, religion and ethnicity.</p> <p>The Group is committed to maintaining a conducive working environment free from harassment and promoting fair, merit-based employment practice, ensuring equal opportunities for growth and development for all employees. Our focus on diversity includes initiatives that promote inclusive leadership, equitable hiring practices, and a workplace culture that removes barriers to advancement. The Board values the merits of female representation in management for better decision making and enhances competitive advantages. The Group has set KPIs to drive gender diversity, aiming to achieve at least 20% female representation in Senior Management positions by FY2025. As of 31 December 2024, 20% of the Senior Management positions within the Group are held by female employees.</p> <p>The Group's Code of Ethics and Conduct is applied throughout all the Directors and employees, based on principles of integrity, responsibility, trust, discipline and diligence.</p>

	The detail information of gender diversity within the Board and Senior Management are disclosed in the Corporate Governance Overview Statement and the Sustainability Statement 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	<p>The Board has put in place a formal annual evaluation to assess the effectiveness of the Board, Board Committees and the performance of each individual Director. The annual evaluation is conducted in accordance with the procedures set out in the Evaluation Policy.</p> <p>The annual evaluation for the year 2024 was conducted in October 2024 through an internal process using questionnaires based on a four-point rating scale and a self and peer-assessment model. The evaluation exercise was facilitated by the Company Secretaries. Each Director evaluated the performance of the Board, its Committees, and other individual Directors through self and peer assessments, while the performance of the Audit Committee was assessed by the Nomination Committee.</p> <p>The evaluation criteria for the Board focused on areas such as Board's size and composition, administration of boardroom activities, board process, provision of information to the Board, relationship with the Management and deliberation of sustainability matters on ESG considerations. The evaluation of Board Committees focused on the effectiveness of Committees' practices, structures, expertise and meeting administration. For individual Directors, the assessment included criteria such as fit and proper attributes, contribution and participation, calibre and personality. These criteria align with the Bursa Malaysia's Corporate Governance Guide and have been customized to meet the Group's current and future expectation.</p> <p>The results of the evaluation were reviewed during the Nomination Committee meeting held in February 2025. The Company Secretaries presented the evaluation reports, which summarised the findings, results, and recommendations benchmarked against corporate governance best practices. This report also included a summary of the Board Diversity and Skill Matrix, providing insights into the Board's composition and skill sets.</p>

	<p>The Nomination Committee also conducted its annual assessment of the independence of Independent Directors. Each Independent Director declared that they remain independent of management and free from any business or other relationships that could interfere with their ability to exercise independent judgement or act in the best interests of the Company.</p> <p>Based on the evaluation results, the Nomination Committee and the Board were satisfied with the overall performance and effectiveness of each individual Director, Board and Board Committees, and concluded that:</p> <ul style="list-style-type: none"> a) The Board is well-balanced with a diverse mix of expertise, professional qualifications, and leadership experience. The Board's collective competencies effectively address the Group's strategic objectives, governance oversight, and industry challenges. b) The Board Committees continue to demonstrate efficiency and effectiveness in carrying out their responsibilities. The Committees members' respective knowledge and experience have enhanced the Board's ability to make well-informed decisions, particularly in the areas of audit, governance, risk, and compliance. c) All members of the Board are fit and proper, having discharged their responsibilities commendably. They have contributed effectively to the overall functioning of the Board. d) The Independent Directors continue to provide valuable objective perspectives. The annual declaration of independence confirmed that each Independent Director remains free from any relationship which could interfere the exercise of independent judgement on issues affecting the Group. <p>The results of the evaluation and discussions were duly minuted and documented.</p>
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	:	<p>The Board has in place a Remuneration Policy setting out the guiding principles for the remuneration of Directors and Key Senior Management. The Board is assisted by the Remuneration Committee in implementing its Remuneration Policy.</p> <p>The Remuneration Policy was last reviewed and approved by the Board in October 2022. It is structured to align with the Group's business strategies and long-term objectives.</p> <p>All the Directors are entitled to directors' fees and meeting allowances. The Directors' remuneration packages are structured based on their fiduciary duties, time commitment and the Company's business performance. These fees and benefits are subject to shareholders' approval at the Annual General Meeting.</p> <p>The Remuneration Committee meets at least once a year or as needed. In 2024, the meeting took place in March, with full attendance by all members. During this session, the Remuneration Committee reviewed and recommended to the Board the Directors' fees for financial year ended 30 November 2023 and the provision for Board and Board Committee meetings allowances.</p> <p>The Executive Directors including the Managing Director of the Company do not receive any other remuneration apart from Director's fees and meeting allowances.</p> <p>The remuneration of Key Senior Management is determined based on a combination of factors, including experience, skill and scope of responsibilities, individual performance, company performance as well as market competitiveness. The Board collectively authorized the Managing Director to review the remuneration packages of Key Senior Management, before presenting to the Nomination Committee. The</p>

	<p>review is based on a prescribed set of key performance indicators and the Group's human resource policies and procedures.</p> <p>The Remuneration Policy is available for reference at www.ajiya.com.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
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	:	<p>The Board has established a Remuneration Committee to implement the remuneration policy for Directors and Key Senior Management, and ensuring its competitiveness. The remuneration structure is designed to align with the Group’s business strategies.</p> <p>The Remuneration Committee comprises entirely of Independent Non-Executive Directors. As of 31 December 2024, the composition of the Remuneration Committee is as follows:</p> <table><tr><td>Mr. Teh Boon Beng</td><td>- Chairman</td></tr><tr><td>Datuk Hj Mohd Yusri Bin MD Yusof</td><td>- Member</td></tr><tr><td>Dato’ Boey Chin Gan</td><td>- Member</td></tr></table> <p>The roles and responsibilities of the Remuneration Committee are set out in its Terms of Reference. The Terms of Reference will be reviewed by the Remuneration Committee as and when necessary. The last review was approved by the Board in October 2022.</p> <p>The Board is satisfied that in 2024, the Remuneration Committee has effectively discharged its roles and responsibilities in accordance with its Terms of Reference.</p> <p>The Terms of Reference are available for reference on the Company website at www.ajiya.com.</p>	Mr. Teh Boon Beng	- Chairman	Datuk Hj Mohd Yusri Bin MD Yusof	- Member	Dato’ Boey Chin Gan	- Member
Mr. Teh Boon Beng	- Chairman							
Datuk Hj Mohd Yusri Bin MD Yusof	- Member							
Dato’ Boey Chin Gan	- Member							
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	:	<p>The details of remuneration received and receivable by each Director in respect of the financial period ended 31 December 2024 are set out in the table below.</p> <p>The fees payable to Directors are subject to shareholders' approval at the forthcoming 29th Annual General Meeting.</p> <p>The Managing Director who also serves as the Chief Executive Officer, does not receive any other remuneration apart from Director's fees and meeting allowances in his capacity as an executive director.</p> <p>A detailed breakdown of the remuneration for all Directors, including Executive Directors, is disclosed in the Corporate Governance Overview Statement of the Company's Annual Report 2024.</p>

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Datuk Seri Chiau Beng Teik, JP	Executive Director	45,500	3,000	0	0	0	0	48,500	0	0	0	0	0	0	48,500
2	Mr. Chiau Haw Choon	Executive Director	45,500	5,000	0	0	0	0	50,500	0	0	0	0	0	0	50,500
3	Mr. Yeo Ann Seck	Non-Executive Non-Independent Director	45,500	5,000	0	0	0	0	50,500	0	0	10,500	0	0	420	61,420
4	Datuk Haji Mohd Yusri bin MD Yusof	Independent Director	45,500	9,500	0	0	0	0	55,000	0	0	0	0	0	0	55,000
5	Dato' Boey Chin Gan	Independent Director	45,500	9,500	0	0	0	0	55,000	0	0	0	0	0	0	55,000
6	Mr. Teh Boon Beng	Independent Director	45,500	6,000	0	0	0	0	51,500	0	0	0	0	0	0	51,500
7	Ms. Er Kian Hong	Independent Director	45,500	8,500	0	0	0	0	54,000	0	0	0	0	0	0	54,000

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	:	<p>The Key Senior Management plays a crucial role in implementing the Group's strategic plans and conducting its business activities effectively.</p> <p>Given the competitive nature of the business in which the Group operates, the Board is of the view that the disclosing detail remuneration on a named basis for Key Senior Management is not to the Group's advantages. Such disclosure of specific remuneration information may give rise to recruitment and talent retention issues, as well as concerns regarding confidentiality and sensitivity. Further, It is the Group's policy and practice to implement confidentiality of all employees' remuneration.</p> <p>The Board believes that the non-disclosure of individual Key Senior Management's remuneration will not prejudice the interest of the shareholders.</p>
		<p>The total remuneration of the top six (6) Key Senior Management who are not members of the Board amounted to RM2,294,937, representing 5.58% of the Group's total employees' remuneration for the financial period ended 31 December 2024.</p> <p>The Remuneration Policy and Human Resource policies provide guidelines in administering the remuneration of the Key Senior Management. The Committee will continue to benchmark the remuneration package against industry practices to ensure alignment with individual and Group performance.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Audit Committee comprises entirely of Independent Non-Executive Directors. The composition ensures the objectivity and independence of the Audit Committee are maintained.</p> <p>The Chairman of the Audit Committee, Ms. Er Kian Hong, is an Independent Non-Executive Director. She is not the Chairman of the Board. She was appointed as Chairman of the Audit Committee since 4 November 2022.</p> <p>Ms. Er Kian Hong holds a Bachelor Degree in Accounting and Finance from the University of Technology, Sydney. She is a member of the Certified Practising Accountant Australia (CPA Australia). Her professional qualifications and experience contribute significantly to the effective oversight of the Group's financial and governance matters.</p> <p>In line with Practice 1.4 of the Malaysian Code on Corporate Governance, the current Chairman of the Board is not a member of the Audit Committee, and none of the former Chairman of the Board has ever been a member of the Audit Committee. This separation ensures a clear division of responsibilities and safeguards the independence of the Audit Committee.</p>	
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	:	<p>The Company’s External Auditors Policy set out that a former audit partner is required to observe a cooling off period of at least three years before being appointed as a member of the Audit Committee. This policy is in place to safeguard and maintain the objectivity and independence of the External Auditors.</p> <p>Currently, none of the Board members are former audit partners, and therefore, no such individual has been appointed to the Audit Committee. This adherence to the policy further ensures that the independence and objectivity of the External Auditor are upheld within the Company's governance framework.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board, through the Audit Committee, maintains a formal relationship with the External Auditor. The Audit Committee is responsible to review the suitability, objectivity and independence of External Auditor annually, as outlined in its Terms of Reference.</p> <p>The Audit Committee carries out the above responsibility in accordance with the Company's External Auditors Policy, which sets out guidelines and procedures for the appointment, selection criteria, provision of non-audit service and annual performance assessment of the External Auditor.</p> <p>In the meeting held on 20 September 2024, the Audit Committee assessed and proposed the appointment of a new external auditor, UHY Malaysia PLT ("UHY"), in place of the resigning auditor, ChengCo PLT. The selection and assessment was undertaken by the Audit Committee, with the assistance from the Group Chief Financial Officer and Financial Controller. The suitability of the short listed external audit firm was deliberated based on the criteria set in the External Auditors Policy. The Audit Committee subsequently recommended and the Board approved the appointment of UHY as the Company's External Auditor for the financial period ended 31 December 2024.</p> <p>In October 2024, UHY presented the 2024 Audit Planning Memorandum to the Audit Committee. The memorandum outlined the audit engagement team, audit phases, Group audit scope, significant risks and areas of audit focus, internal control plans, and reporting timelines. During the presentation, UHY provided a written assurance that they are independent of the Group.</p> <p>The Audit Committee also considered the nature of non-audit services provided by the External Auditor and was satisfied that these non-audit services does not, in any way, impair the External Auditor's objectivity and independence in the conduct of statutory audit. The details of the audit fees and non-audit fees paid to the External Auditor for the financial period ended 2024 are set out in the Additional Disclosure Statements of the Annual Report 2024.</p>

	<p>Throughout the financial period ended 2024, the Audit Committee held discussions with the External Auditors twice, without the presence of Management. During these discussions, no major issues requiring the attention of the Audit Committee were raised.</p> <p>In February 2025, the Audit Committee conducted a performance review of the External Auditors for the financial period ended 2024. The assessment was undertaken by the Audit Committee members together with the Group Chief Financial Officer and Financial Controller, based on, among others, the calibre, quality of audit process, sufficiency of resources, independency and objectivity, audit scope and planning, audit fees and communication.</p> <p>The Audit Committee was satisfied with the overall performance, competency and independence of the External Auditor. Accordingly, the Committee recommended to the Board the re-appointment of UHY as External Auditor for shareholders' approval at the forthcoming Annual General Meeting.</p>	
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	:	<p>The Audit Committee of the Board comprises entirely of Independent Non-Executive Directors.</p> <p>Such composition ensures the objectivity and independence of the Audit Committee are maintained. It also provides a greater checks and balances during deliberations and decision making processes.</p> <p>As of 31 December 2024, the composition of the Audit Committee is as follows:</p> <table><tr><td>Ms. Er Kian Hong</td><td>- Chairman</td></tr><tr><td>Datuk Hj Mohd Yusri Bin MD Yusof</td><td>- Member</td></tr><tr><td>Dato’ Boey Chin Gan</td><td>- Member</td></tr></table> <p>This structure reflects the Company’s commitment to maintaining high standards of governance and upholding the independence of the Audit Committee in overseeing the Group’s financial reporting and internal controls.</p>	Ms. Er Kian Hong	- Chairman	Datuk Hj Mohd Yusri Bin MD Yusof	- Member	Dato’ Boey Chin Gan	- Member
Ms. Er Kian Hong	- Chairman							
Datuk Hj Mohd Yusri Bin MD Yusof	- Member							
Dato’ Boey Chin Gan	- 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	:	<p>The Audit Committee comprises a diverse mix of qualified and experience professionals in the fields of accounts and finance, risk management and internal control, corporate governance and business management.</p> <p>The Audit Committee is currently chaired by Ms. Er Kian Hong, an Independent Non-Executive Director and a member of the Certified Practising Accountant Australia (CPA Australia). With over 20 years of experiences in areas such as audit and finance management, corporate advisory services for fund raising, restructuring, mergers and acquisition, Ms. Er brings valuable leadership and insight to the Committee.</p> <p>The Chairman and members of the Audit Committee possess the requisite knowledge and experience necessary to effectively discharge their duties. They are financially literate, enabling them to understand, analyse and objectively review matters under the purview of the Audit Committee, including the financial reporting process.</p> <p>Recognizing the importance of staying updated, the Audit Committee members continuously participate in relevant training programs to enhance their knowledge and skills. The Audit Committee members had during the financial period, attended trainings relating to audit, finance, taxation, sustainability, corporate governance, information technology and economic outlook. Detailed information on the trainings attended by the Audit Committee is disclosed in the Corporate Governance Overview Statement of the Company's Annual Report 2024.</p>

	<p>The Company Secretaries provide regular updates to the Audit Committee members on the latest developments in corporate governance practices and related regulatory requirements. Additionally, the External Auditors provide in its report to the Audit Committee, the latest developments in accounting standards and interpretations.</p> <p>The Board assesses the performance of the Audit Committee annually through the Nomination Committee. Based on the assessment conducted in October 2024, the Board was satisfied with the overall performance of the Audit Committee and that the members have added value and contributed to the overall effectiveness of the Audit Committee.</p> <p>The profile of the Audit Committee members and a detailed report on the Audit Committee's activities are set out in the Annual Report 2024.</p>	
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 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board remains responsible for maintaining a good risk management and internal control system that addresses all key risks relevant and material to the Group's operations, within an acceptable risk appetite. This system is designed to safeguard the interest of shareholders and protect the Group's assets. The Board regularly reviews the adequacy and effectiveness of the system, ensuring it is embedded across all processes within the Group.</p> <p>Recognizing the evolving risk landscape and the inherent limitations of any risk management and internal control system, the risk management and internal control system of the Group is designed to manage, rather than eliminate, risk in achieving the Group's business objectives. Therefore, it provides reasonable but not absolute assurance against material misstatements or losses.</p> <p>To oversee the implementation of the Group's risk management and internal control framework, the Board is supported by the Risk Management Committee and the Audit Committee, each focusing on specific aspects of oversight.</p> <p>The Risk Management Committee has adopted a Risk Management Framework for managing risks affecting its businesses and operations and is benchmarked against the ISO 31000:2018 Risk Management - Guidelines for identifying, evaluating, monitoring, reporting and managing significant business risks. The Risk Management Framework outlined the proactive approach and is comprised of risk management philosophy, risk appetite, risk governance structure and risk management process.</p> <p>The risk governance structure of the Group operates as follows:</p> <p>a. The Risk Management Committee reviews and ensures the adequacy of risk management framework, policies and processes, and assess the Group's risk exposure.</p> <p>The Risk Management Committee is assisted by Risk Management Steering Committee ("RMSC"), an operational management committee tasked to ensure the risk management</p>

	<p>system and governance are embedded and implemented across the Group.</p> <p>The RMSC works together with operational department heads to identify, evaluate and manage the significant risks affecting the Group's businesses and operations.</p> <p>b. The Audit Committee, supported by the internal auditors, reviews the adequacy and effectiveness of the Group's internal audit function.</p> <p>The internal audit function operates based on a clearly defined audit plan, which is reviewed and approved by the Audit Committee.</p> <p>The internal auditors conduct independent audits to identify, evaluate, monitor and manage significant risks affecting the business of the Group and ensures that adequate and effective internal controls are in place to mitigate these risks.</p> <p>A review of the state of risk management and internal controls within the Group during the financial period is set out in the Statement on Risk Management and Internal Control of the Annual Report 2024.</p>	
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 10.2

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	:	<p>The Group has established a structured risk management process for identifying, evaluating and managing significant risks that may impact the achievement of its business objectives. The risk management is embedded within the Group's management system, ensuring an effective approach to risk mitigation across all levels of operations</p> <p>The Board through the Risk Management Committee, oversees the Group's risk management matters, including reviewing risk management principles, frameworks, policies and procedures to ensure alignment with the Group's strategic goals.</p> <p>The Risk Management Committee reviews the Risk Management Report which outlined key risk areas, control measures and action plans. The objective of the risk assessment is to identify inherent risk, evaluate internal control and monitor residual risk. The Risk Management Committee reviewed the likelihood and risk impact of those key risks, the risk rating, control effectiveness and the residual risks and ensure appropriate mitigation strategies are in place.</p> <p>The Risk Management Committee, Audit Committee, Risk Management Steering Committee and Internal Audit function play a crucial role in assisting the Board in overseeing the adequacy and effectiveness of the risk management and internal control system.</p> <p>For the financial period under review, the Board received assurance from the Managing Director and Group Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively.</p> <p>The Statement on Risk Management and Internal Control in the Annual Report 2024 provides an overview on the state of internal control and risk management within the Group. This Statement was reviewed by the Company's External Auditor.</p>
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	:	<p>The Board is supported by the Risk Management Committee in identifying, reviewing and overseeing the framework and process for managing risk across the Group.</p> <p>As of 31 December 2024, the Risk Management Committee comprises entirely of Independent Non-Executive Directors, with the following members:-</p> <table><tr><td>Datuk Hj Mohd Yusri Bin MD Yusof</td><td>-</td><td>Chairperson</td></tr><tr><td>Dato' Boey Chin Gan</td><td>-</td><td>Member</td></tr><tr><td>Mr. Teh Boon Beng</td><td>-</td><td>Member</td></tr></table> <p>Datuk Hj Mohd Yusri Bin MD Yusof was appointed as Chairman of the Risk Management Committee since 7 September 2022.</p> <p>The roles and responsibilities of the Risk Management Committee are guided by its Terms of Reference, which are available on the Company's website at www.ajiya.com.</p>	Datuk Hj Mohd Yusri Bin MD Yusof	-	Chairperson	Dato' Boey Chin Gan	-	Member	Mr. Teh Boon Beng	-	Member
Datuk Hj Mohd Yusri Bin MD Yusof	-	Chairperson									
Dato' Boey Chin Gan	-	Member									
Mr. Teh Boon Beng	-	Member									

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	:	<p>The internal audit function is an integral part of the Group's assurance framework. Internal Auditors play a crucial role in providing independent and objective assurance on the effectiveness of risk management, internal control, compliance with the established policies and procedures, and governance procedures.</p> <p>The internal audit function of the Group is carried out internally by the inhouse Governance, Risk and Compliance ("GRC") team. The GRC team conducts independent assessment of the adequacy and effectiveness of the Group's internal controls and governance process.</p> <p>The Internal Auditors report functionally to the Audit Committee and administratively to the Managing Director. The internal audit function operates independently from the activities of the Group and remains free from any relationships or conflicts of interest which could impair its objectivity and independence.</p> <p>The Internal Auditors assess the effectiveness of the internal control system and align their current internal audit practices with the International Professional Practices Framework set by the Institute of Internal Auditors.</p> <p>The following are, among others, activities undertaken by the Audit Committee during the financial period ended 31 December 2024 in relation to internal audit function:</p> <ul style="list-style-type: none">• Review the audit scope and annual audit planning.• Review the quarterly audit reports and audit findings• Assess the performance and effectiveness of the internal audit function. <p>The Internal Auditors conducted periodic audits across various operating units within the Group based on a risk-based Internal Audit Plan approved by the Audit Committee.</p> <p>The Audit Committee on quarterly basis, reviewed the audit reports covering audit scope, observation, findings, recommendations and management responses. The Management is responsible to ensure the implementation of corrective actions within the agreed timeframe.</p>

	<p>In October 2024, the Audit Committee conducted its annual evaluation of the independence, effectiveness, competency and adequacy of resources of the Internal Audit function. The Committee was satisfied with the overall performance of the Internal Audit function and that the internal auditors' independence has been maintained.</p> <p>For the financial period under review, the Board reviewed the adequacy and effectiveness of the Group's risk management and internal control system and is of the view that the risk management and the internal control system is adequate to safeguard the shareholders' interest.</p> <p>Based on the audit review conducted by the GRC team, the Board are of the view that there is no significant breakdown or weaknesses in the systems of internal controls of the Group that may result in material losses for the financial period ended 2024.</p>	
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 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	:	<p>The Group's internal audit function is carried out by the in-house Governance, Risk, and Compliance ("GRC") team.</p> <p>The GRC team comprises 8 internal auditors who operate independently and are free from any relationships or conflicts of interest that could impair their objectivity and independence.</p> <p>The GRC is headed by Mr. Benedict Lee Yee Kuan, who has more than 15 years of experience in Enterprise Risk Management, Internal Audit, Corporate Governance, and Business Process Development. Mr. Benedict Lee is a Chartered Member of the Institute of Internal Auditors Malaysia and the Chartered Governance Institute of the UK, holding professional designations CMIIA and CGP. All the internal audit staff possess tertiary qualifications, further enhancing the competency of the audit function.</p> <p>The GRC reports functionally to the Audit Committee, and performs its works as an independent unit. This reporting structure ensures the independence and objectivity of the internal audit function, which assures adequate consideration of audit recommendations and corrective actions. This reporting structure also grants the GRC team the necessary authority for unrestricted access to all operations, records, property, and personnel within the Group.</p> <p>The internal audit function is guided by the International Professional Practices Framework set by the Institute of Internal Auditors. The GRC team adopts a risk-based approach in the audit planning and conducts.</p> <p>The Audit Committee had in October 2024, conducted an annual evaluation to assess the performance of the Internal Audit function. Following the evaluation, the Committee was satisfied with the scope, competency and experience of the Internal Audit team.</p>

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	:	<p>The Board recognize the importance of maintaining an effective, transparent and regular communication with its stakeholders. The Board ensures all disclosures are accurate and released on a timely basis and that all shareholders and investing public have equal access to the material information released by the Company.</p> <p>The Group's corporate website, www.ajiya.com is the main channel for stakeholders to access the information of the Group. The website features a dedicated Investor Relation section which provide investor-related information such as quarterly results, audited financial statements, Annual Report, Circulars to Shareholders and announcements released through Bursa LINK. There is also a section on Governance & Sustainability where Board Charter, Code of Ethics and Conduct, Board Policies, Corporate Sustainability and minutes of General Meetings are available. Stakeholders may channel their concerns through the "Contact Us" section on the Company's website.</p> <p>The Annual General Meeting remains the primary avenue for engaging and communicating with the shareholders. At the 28th Annual General Meeting held in April 2024, the Key Senior Management presented to the shareholders the qualitative and quantitative performance of the Group. This included the market outlook for the construction sector for 2024, the Group's financial highlights over the previous five years as well as the Group's continued efforts to create more values in future. Shareholders were encouraged to submit real time questions using the query box facility. The proceedings of the Annual General Meeting 2024 also included the Board's responses to questions submitted in advance from the Minority Shareholders Watchdog Group.</p> <p>The Annual Report with information on business activities, key financial highlights, corporate governance and sustainability initiatives is an important source of information that provides the stakeholders an overview of the Group's business performance and financial position. The Sustainability Statement in the Annual Report is also a vital source of reference for stakeholders which provides an overview of how the Group's sustainable practices and initiatives are embedded</p>

	<p>in its business strategy and daily operation, recognizing the importance of economic, environmental and social impact.</p> <p>The Group actively engages with stakeholders through organized factory visits. These visits are conducted for various groups, including professionals, government officials, and educational institutions. This approach allows stakeholders to experience the Group's operations and gain insights into its business processes.</p> <p>In addition to sharing knowledge and expertise within the industry, the Group also engages with local communities through various channels. This includes participation in roadshows and social media platforms to connect with stakeholders. The Group continuously enhance its digital platform to effectively engage with prospective customers, drive sales growth and improve the operational efficiency.</p> <p>The Group also collaborates with non-governmental organization, foundation and industry association to foster partnerships and contribute to community development.</p> <p>The Group engaged with its employees through various channel, including meetings, surveys, suggestion box, competitions, festive celebrations, gatherings, town halls and wellbeing talks. The town hall sessions provides a platform where Key Senior Management shares updates on Group's performance and business outlook, while employees have the chance to raise questions or concerns.</p> <p>The Group has launched a series of wellbeing programs "Know Your Wellness (KYW)" for its employees. This KYW is designed to help employees discover, define and drive toward to a healthier and more balanced life. The program cover four key areas, mental wellbeing, physical wellbeing, financial wellbeing and social wellbeing.</p> <p>While the Company endeavours to providing timely information to its stakeholders, the Board remains mindful of the regulatory requirement governing the release of material and price-sensitive information. The Group had in place a Corporate Disclosure Policy. The policy ensures communications with the public align with the obligation imposed by Bursa Securities and other regulatory authorities.</p>
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	:	<p>The Company dispatches the Notice of Annual General Meeting ("AGM") to all shareholders at least 28 days prior to the meeting.</p> <p>The 28th AGM of the Company was conducted fully virtual on 29 April 2024 through live streaming using the Remote Participation and Electronic Voting ("RPEV") facilities. The notice of AGM and Administrative Guide were sent on 29 March 2024, providing more than 28 days' notice in advance of the 21 days' requirement under the Companies Act 2016 and Main Market Listing Requirements of Bursa Securities.</p> <p>The additional notice period allows the shareholders sufficient time to review the Annual Report and to make necessary arrangement to participate in the AGM.</p> <p>The Notice of AGM was published in a nationally circulated newspaper and made available on the Company's website and released via Bursa Link.</p> <p>Detail explanations and recommendations for the relevant proposed resolutions are provided in the notice of AGM to enable shareholders to make informed decision when exercising their voting rights.</p>
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 13.2

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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Company's 28th Annual General Meeting ("AGM") and Extraordinary General Meeting ("EGM") 2024 were both conducted virtually.</p> <p>All Directors attended the meetings, except Datuk Seri Chiau Beng Teik, JP, who was unable to attend the AGM due to unforeseen obligations, and Mr. Yeo Ann Seck, who was unable to attend the EGM due to commitments abroad.</p> <p>The Managing Director and Chairman of all Board Committees attended both the AGM and EGM. Additionally, the Key Senior Management, Group Chief Financial Officer, Financial Controller and Company Secretaries were present at the meetings to address shareholders' queries.</p> <p>In addition, the External Auditors participated in the AGM, while the Advisors attended the EGM to provide necessary clarifications.</p> <p>The Directors acknowledges that General Meetings serve as the primary platform for engaging and communicating with shareholders. All Directors endeavour to attend future General Meetings to engage with shareholders and address any concerns.</p> <p>All the Directors are mindful of their individual responsibility in fulfilling their duties as Board members. The Board strives to ensure the presence of all Directors at every General Meeting, except in cases of unforeseen circumstances.</p>
<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 13.3

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	:	<p>Since its 21st Annual General Meeting in 2017, the Company has embraced technology by adopting an electronic poll voting system. Electronic voting system provides greater efficiency and accuracy in vote tabulation.</p> <p>The 2024 Annual General Meeting ("AGM") and Extraordinary General Meeting ("EGM") of the Company were conducted virtually via live streaming using Remote Participation and Electronic Voting ("RPEV") facilities to facilitate remote participation and online voting by all shareholders.</p> <p>Shareholders are able to view a live webcast of the general meetings, raise questions via query box facility and submit their votes in real-time. Detailed procedures on remote participation and online voting were set out in the Administrative Guide, which were sent to the shareholders together with the Notice of meetings.</p> <p>The RPEV service provider had put in place information security measures to prevent cyber threats. These measures included hosting the RPEV in a secure enterprise industry cloud platform and the data centre is ISO/IEC 27001 certified. To ensure only the registered shareholders are allowed to attend and participate in the virtual general meeting, remote participation at the general meeting requires registration and pre-authorised user accounts with password.</p>
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	: <p>The Directors attended the Company's virtual 28th Annual General Meeting and Extraordinary General Meeting 2024 to engage with shareholders. The External Auditors, Company Secretaries, Financial Controller, and Advisors were present at the respective meetings to address and respond to shareholders' questions.</p> <p>Before the commencement of the meetings, the Chairman briefed the shareholders of their right to raise questions through real-time submission of typed texts and vote on the resolutions set out in the Notice of meetings.</p> <p>Shareholders were given sufficient time to pose their questions via the provided platform which was opened for login one hour before the meeting commenced. All questions received were addressed by the Board members during the dedicated Questions and Answers session. The minutes of the general meetings, including key matters discussed and answers to the questions posed, is accessible on the Company's website.</p> <p>The proceedings of the 28th AGM included the presentation by Key Senior Management the qualitative and quantitative performance of the Group, including the market outlook for the construction sector for 2024, the Group's financial highlights over the past five years as well as the Group's effort to create long-term values.</p> <p>At the 28th Annual General Meeting, the Audit Committee Chairman shared the Company's response to questions raised by the Minority Shareholders Watch Group in relation to operational, financial and corporate governance matters.</p>
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	:	<p>The 28th Annual General Meeting ('AGM') and Extraordinary General Meeting ("EGM") 2024 of the Company was held virtually, administered by Agmo Digital Solutions Sdn Bhd, which provided audio and visual support services to broadcast the proceedings of the meetings via Vote2U portal.</p> <p>The Independent Scrutineer, Aegis Communication Sdn Bhd verified the eligibility of shareholders to attend the general meetings based on the Record of Depositor. To ensure that only registered shareholders are allowed to attend and participate in the virtual general meetings, remote participation at the general meetings requires registration and pre-authorised user accounts with password.</p> <p>To assist the shareholders in utilising the Remote Participation and Electronic Voting facilities ("RPEV"), detailed procedures were set out in the Administrative Guide sent to shareholders together with the notice of meetings. To familiarise the shareholders with the use of RPEV, a step-by-step video guide on remote voting and posing questions was presented before voting commenced.</p> <p>Shareholders are given sufficient time to pose their questions via the provided platform which was opened for login one hour before the meeting commenced. Questions submitted were managed by a team of moderators and addressed by the Chairman of the general meetings.</p> <p>The questions raised by shareholders, including those from the Minority Shareholders Watch Group (MSWG), along with the Company's responses, were visible to all participants. These, along with the minutes of the meetings, were made available on the Company's website.</p>

	The results of the poll voting, verified by the Independent Scrutineer, were announced by the Chairman and displayed on the screen and made visible to all shareholders. The Company released the results via Bursa LINK on the same day after the conclusion 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 13.6

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	:	<p>The minutes of the Company's 28th Annual General Meeting ("AGM") held on 29 April 2024 were published on the Company's website on 27 May 2024, within 30 business days from the date of the AGM.</p> <p>Similarly, the minutes of the Extraordinary General Meeting (EGM) held on 15 July 2024 were published on 13 August 2024.</p> <p>The minutes of both the 28th AGM and EGM were duly confirmed by the Chairman and include responses to questions raised by shareholders. Additionally, the 28th AGM minutes contain responses to questions submitted by the Minority Shareholders Watch Group (MSWG).</p>
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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