

CORPORATE GOVERNANCE REPORT

STOCK CODE : 9873
COMPANY NAME : Prestar Resources 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 PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

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| Application | : Applied |
| Explanation on application of the practice | <p>The Board of Directors ("Board") comprises ten (10) members, each bringing a broad range of backgrounds, expertise, and experiences across various fields and industries.</p> <p>The Board provides leadership and direction to the business and operations of the Group by setting goals, policies, and targets within a prudent framework and takes full responsibility for the overall performance of the Company and its subsidiaries ("the Group"). The Board regularly reviews the Group's business operations and maintains full and effective control over the management of the Group.</p> <p>The duties and responsibilities of the Board include determining the Group's overall strategic plans, performing periodic reviews of the business and financial performance, as well as adopting and implementing the risk management and internal control systems within the Group.</p> <p>The roles and responsibilities of the Board are clearly set out in the Board Charter and also disclosed in the Corporate Governance Overview Statement in the Annual Report 2024.</p> <p>The Board has adopted a schedule of matters specifically reserved for its approval, which include, amongst others, reviewing and approving the following:</p> <ul style="list-style-type: none">a) Strategic/business plans and annual budget.b) New investments, divestments, mergers and acquisitions and corporate restructuring.c) Acquisition and disposal of significant assets of the Company.d) Annual audited financial statements and the quarterly financial results prior to release to Bursa Malaysia Securities |

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| | <p>Berhad (“Bursa Malaysia Securities”).</p> <p>e) Appointment of new Directors, including the Group Managing Director based on recommendations of the Nomination Committee (“NC”).</p> <p>f) Related party transactions.</p> <p>The Board has also delegated certain specific responsibilities to the following Board Committees, which operate within clearly defined terms of reference (“TOR”):</p> <p>a) Audit Committee (“AC”);</p> <p>b) NC;</p> <p>c) Remuneration Committee (“RC”); and</p> <p>d) Employees’ Share Option Scheme Committee (dissolved on 20 April 2024)</p> <p>The Chairmen of the respective Board Committees report to the Board on matters within their areas of responsibility and escalate major decisions to the Board for deliberation and approval, where applicable.</p> |
| <p>Explanation for departure :</p> | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | |
| <p>Measure :</p> | |
| <p>Timeframe :</p> | |

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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board is chaired by Encik Shamsudin @ Samad Bin Kassim ("Encik Samad"), an Independent Non-Executive Director who is primarily responsible for the overall leadership and the orderly conduct and function of the Board.</p> <p>The key roles and responsibilities of the Chairman as set out in the Board Charter include, amongst others, the following:</p> <ul style="list-style-type: none"> • Leading the Board in setting the values and standards of the Company and the Group; • Maintaining a relationship of trust with and between the Executive and Non-Executive Directors; • Ensuring the provision of accurate, timely, and clear information to members of the Board; • Ensuring the integrity and effectiveness of the governance process of the Board; • Ensuring effective communication with shareholders and relevant stakeholders; • Arranging regular evaluations of the performance of the Board, its Committees, and individual Directors; • Facilitating the effective contributions of all members of the Board; and • Setting the agenda for Board meetings and ensuring that all relevant issues are on the agenda, in consultation with the Group Managing Director and the Company Secretaries. <p>The Chairman also ensures that adequate time is allocated for the discussion of all agenda items and that thorough reviews are provided on matters raised during Board meetings.</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

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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Chairman of the Board, Encik Samad, an Independent Non-Executive Director, and the Group Managing Director, Dato' Toh Yew Peng, hold separate positions. Their respective roles and responsibilities are clearly defined and governed by the Board Charter.</p> <p>The roles and responsibilities of the Chairman and the Group Managing Director are clearly distinguished to strengthen the balance of power and authority within the Board.</p> <p>The Chairman is responsible for the overall leadership and governance of the Board, while the Group Managing Director is accountable for overseeing the day-to-day management and running of the Group and the implementation of the Board's decisions and policies.</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

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| <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 : | Departure |
| Explanation on application of the practice : | |
| Explanation for departure : | <p>Encik Samad, the Chairman of the Board, also serves as a member of the RC and NC.</p> <p>Encik Samad's appointment to these two (2) Board Committees is attributed to his extensive experience in areas relevant to their functions. He contributes valuable insights and constructive views to both the Board and the Committees, offering perspectives that reflect his dual roles as Board Chairman and member of the Board Committees.</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

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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Group has engaged Securities Services (Holdings) Sdn. Bhd., an external company secretarial firm, to carry out the responsibilities of corporate secretarial matters, provides dedicated support to the Board and ensures that the Directors are kept abreast of updates to Bursa Malaysia Securities Main Market Listing Requirements ("Main LR") and other relevant statutory requirements.</p> <p>The duties of the Company Secretaries are disclosed in the Corporate Governance Overview Statement in the Annual Report 2024.</p> <p>Both the Company Secretaries, Ms. Chua Siew Chuan and Ms. Chin Mun Yee, have the requisite credentials and are qualified to act as the Company Secretaries pursuant to Section 235(2) of the Companies Act 2016. They are also members of the Malaysian Institute of Chartered Secretaries and Administrators, as recognised by the Companies Commission of Malaysia.</p> <p>The Board is satisfied with the performance of the Company Secretaries, who have consistently provided sound governance advice, ensured compliance with relevant rules and procedures, and actively advocated the adoption of corporate governance best practices.</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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>All Directors are provided with a comprehensive agenda, minutes of previous meetings, and relevant materials for Board and Board Committee meetings in a timely manner prior to each meeting. Where necessary, certain documents are circulated earlier through email before the delivery of hard copies, allowing Board and Board Committee members ample time to review the materials and request additional information or clarification, if required, prior to the meetings.</p> <p>In the discharge of their duties, all Directors have full and unrestricted access to Management and the Company Secretaries. Where necessary, members of senior management and external consultants are invited to attend Board and Board Committee meetings to provide guidance, as well as detailed explanations and clarifications on pertinent agenda items, facilitating a more comprehensive understanding of the matters under consideration by the Board and the Board Committees.</p> <p>Upon the conclusion of Board and Board Committee meetings, draft minutes are circulated to the respective members for review and comments to ensure that the minutes accurately reflect the deliberations and decisions made, including any instances where a Director or Committee member with an interest in a particular matter abstained from deliberation or voting. Once finalised, the minutes are confirmed and approved at the subsequent meeting and signed by the Chairman as a true and correct record of the proceedings.</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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board Charter sets out the roles, duties and responsibilities of the Board, outlines the membership guidelines, procedures for Board meetings, Directors’ remuneration, and investor relations and shareholders’ communication.</p> <p>The Board Charter was adopted by the Board on 25 April 2013, and the last review of the Board Charter by the Board was on 2 May 2023.</p> <p>The Board Charter would be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board’s responsibilities. Any subsequent amendments to the Board Charter can only be approved by the Board.</p> <p>The Board Charter is available on the Company’s corporate website at www.prestar.com.my.</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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Code of Conduct and Ethics ("the Code") applies to all Directors of the Group in the discharge of their duties and in the conduct of the business of the Group. The Code was initially adopted on 24 November 2016 and subsequently reviewed by the Board on 14 May 2020.</p> <p>In addition, all Executive Directors are required to adhere to the Group's Code of Conduct for the Workplace, which is issued by the Group Human Resources department.</p> <p>All Directors are accountable for ensuring full compliance with the Code. In the event of any breach, the Board will take appropriate measures to address and rectify the non-compliance.</p> <p>To further enhance governance in relation to conflicts of interest, the Group has also adopted a Conflict of Interest Policy to guide and manage any situations that may give rise to actual or potential conflicts of interest.</p> <p>The Code and the Conflict of Interest Policy are available on the Company's corporate website at www.prestar.com.my.</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 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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Whistleblowing Policy (“WBP”) was established by the Board to uphold the Group’s effort and commitment to conducting its business with integrity, honesty, and high ethical standards. It provides a transparent and confidential mechanism for the reporting and handling of whistleblowing disclosures. The WBP was initially approved and adopted by the Board on 24 November 2016 and subsequently reviewed on 14 May 2020 and 26 November 2024.</p> <p>The WBP serves as an avenue for all employees and members of the public to report any misconduct or actions that may harm the reputation of the Group and/or compromise the interests of its stakeholders.</p> <p>The WBP is available on the Company’s corporate website at www.prestar.com.my.</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 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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board holds overall responsibility for overseeing the sustainability matters of the Group. To support this, the Group has established a Sustainability Committee ("SSC") comprising Executive Directors and certain key management staff. The SSC reports to the Group Managing Director, who in turn provides annual updates to the Board and seeks its guidance on sustainability-related matters.</p> <p>The sustainability agenda is entrenched within the Group's business model and is aligned with its corporate strategy, culture, values, and overall approach to conducting business.</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 4.2

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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | The Board endorses the Group Sustainability Report each year prior to its publication. The Sustainability Report comprises the Group’s sustainability strategies, priorities, targets, performance, and communications to various parties, i.e., internal and external stakeholders. | |
| Explanation for departure | : | | |
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| <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 4.3

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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board remains informed on pertinent sustainability agendas relevant to the Group and its operations through regular updates from Bursa Malaysia Securities and the Securities Commission Malaysia. Directors and members of the Sustainability Committee also participate in ongoing professional training on sustainability and governance matters, such as the Mandatory Accreditation Programme Part II, to enhance their understanding of sustainability factors, including climate-related risks and opportunities that may impact the Group.</p> <p>Going forward, the Board remains committed to actively engaging in sustainability matters affecting the Group, with a continued focus on addressing climate-related risks and seizing related opportunities.</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 4.4

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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board Effectiveness Evaluation for the financial year ended 31 December 2024 included an assessment of the Board’s understanding of sustainability issues that are critical to the Company’s performance.</p> <p>The current performance review for the senior management takes into account the sustainability risks such as health, safety and environmental (“HSE”) risks, financial and people development. In pursuit of the Company’s objectives in terms of environment, social and governance (“ESG”), the Group regularly monitors its HSE compliance at each business unit through a monthly HSE performance evaluation. The outcomes of the performance evaluation which include the scoring and proposed corrective actions will be shared with the senior management</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 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.

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| 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 5.1

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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The TOR of the NC stipulates that the NC evaluates the effectiveness of the Board and individual Directors annually. The NC carried out the review annually and proposed the annual re-election of the Directors based on the Directors' annual evaluation.</p> <p>The TOR of NC is available on the Company's corporate website at www.prestar.com.my.</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.

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| Application | : | Departure | |
| Explanation on application of the practice | : | . | |
| Explanation for departure | : | For the financial year ended 31 December 2024, the Board comprised ten (10) Directors, consisting of six (6) Executive Directors and four (4) Independent Non-Executive Directors. | |
| | | The Board is chaired by an Independent Non-Executive Director. Although Independent Directors do not constitute half of the Board, the Board views that its current composition provides a balanced mix of experience, expertise, and perspectives. This diversity enables objective and independent deliberations, reviews, and decision-making in the best interest of the Company and its stakeholders. | |
| <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.

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| Application | : | Applied | |
| Explanation on application of the practice | : | As at 31 December 2024, none of the Independent Directors has served on the Board for a cumulative term of more than nine (9) years. | |
| Explanation for departure | : | | |
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| <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.

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| 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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>Appointments to the Board and senior management are made based on objective criteria and merit, with due regard for diversity in skills, experience, age, cultural background, and gender.</p> <p>The NC, comprising exclusively Independent Non-Executive Directors, is responsible for recommending new appointments to the Board. Any nomination received is first assessed and reviewed by the NC, taking into account the candidate's qualifications and suitability, prior to a recommendation being made to the Board for further evaluation and approval.</p> <p>In assessing potential candidates, the NC considers the required mix of skills, knowledge, expertise, experience, competencies, time commitment, and professionalism, in line with the Board's Fit and Proper Policy. All new appointments to the Board are made through a formal and transparent selection process.</p> <p>Appointments to senior management positions are carried out by the Executive Directors, with the assistance of the Human Resources department, based on the candidates' character, experience, integrity, competency, and professionalism in fulfilling the responsibilities of the role. Independent third-party references are sought before the final selection, and due diligence assessment is conducted in accordance with the Group's Anti-Bribery and Anti-Corruption Policy.</p> <p>The Board also took cognisance of Guidance 5.5 of the Malaysian Code on Corporate Governance, which discourages the appointment of active politicians to the Board.</p> |
| Explanation for departure | : | |

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

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| 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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Company does not rely solely on recommendations from existing Board members or Management when appointing new Directors. Instead, it adopts an approach that encourages the use of independent sources throughout the recruitment process, where appropriate.</p> <p>A formal and transparent procedure is conducted by the NC in assessing potential candidates prior to recommending them to the Board for further assessment and approval.</p> <p>During the financial year under review, one (1) new Executive Director, Mr. Jason Toh Jin Hin, was appointed to the Board. For this appointment, independent sources were not utilised, as the candidate for the Executive Director position was recommended by the existing Executive Directors. The NC was of the view that the use of independent sources was not necessary in this instance, as the appointment related to the internal candidate who was already familiar with the Group's operations. This individual had been assessed based on his performance, capabilities, and readiness to take on greater responsibilities within the Group. The NC, having reviewed his profile and leadership potential, was satisfied that he met the criteria and possessed the requisite experience and qualifications to assume his role effectively.</p> <p>This approach is consistent with the Company's succession planning strategy, particularly for Executive Director positions, where internal talent is identified, nurtured, and elevated to ensure leadership continuity within the Group.</p> |
| Explanation for departure | : | |

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

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| 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.

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| Application | : | Applied |
| Explanation on application of the practice | : | Information on the Directors standing for re-election, as well as the Board's justification in supporting their re-election, is disclosed in the Explanatory Notes to the Notice of the Fortieth ("40th") Annual General Meeting ("AGM") of the Company. The profiles of the Directors, including their professional qualifications, work experience, and interests in the Company, if any, are set out in the Annual Report 2024 for the shareholders' purview. |
| 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.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The NC which is charged with the responsibility of, amongst others, recommending the appointment of new Directors to the Board, comprises exclusively Independent Non-Executive Directors and is chaired by Mr. Wang Eng Lon.</p> <p>The TOR of the NC is available on the Company's corporate website at www.prestar.com.my.</p> <p>The roles of the Chairman of the NC include, amongst others, the following:</p> <ul style="list-style-type: none">• Leading the process of appraisal and recommendation of the appointment of new Board members, Chairman and Group Managing Director; and• Leading the annual review of Board effectiveness, ensuring that the performance of each individual Director is independently assessed. |
| 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.

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| Application | : | Departure |
| Explanation on application of the practice | : | |
| Explanation for departure | : | <p>The Board acknowledges the importance of boardroom diversity, including gender diversity, in enhancing the effectiveness and quality of its decision-making. As such, Ms. Toh Hui Yi was appointed to the Board on 10 April 2023 to support the Company's commitment to Board diversity.</p> <p>The Board remains committed to identifying and considering suitable candidates in alignment with the Group's strategic objectives, with the aim of broadening its diversity base.</p> <p>To reinforce this commitment, the Board has established a Gender Diversity Policy and ensures that all recruitment processes for new Directors are conducted fairly and without discrimination.</p> <p>The Gender Diversity Policy is available on the Company's corporate website at www.prestar.com.my.</p> |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | The NC and the Board will endeavour to identify more women candidates to fill up the vacancy on the Board. |
| Timeframe | : | |

Intended Outcome

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

Practice 5.10

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

| | | |
|--|---|---|
| Application | : | Departure |
| Explanation on application of the practice | : | |
| Explanation for departure | : | <p>The Board Diversity Policy is available on the corporate website at www.prestar.com.my.</p> <p>However, the Company has not established a policy on gender diversity for the senior management.</p> |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | <p>The Group will take diversity and inclusivity into account in its future succession planning for senior management positions. Nevertheless, Management remains committed to a fair opportunity policy, ensuring that all candidates are assessed and selected based on merit, suitability, and alignment with the Group's strategic needs.</p> |
| Timeframe | : | |

Intended Outcome

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

Practice 6.1

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

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

Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.

| | | |
|---|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>A formal evaluation process is in place to assess the effectiveness of the Board as a whole, the Board Committees, and each individual Director. The Board, through the NC, undertakes the following annual assessments once a year:</p> <p>(i) Effectiveness of the Board as a whole and the Committees of the Board</p> <p>The criteria for the assessment cover composition, processes, accountability, and the fulfillment of duties and responsibilities. The assessment was carried out annually. Based on the evaluations conducted in the financial year ended 31 December 2024, the NC and the Board were satisfied with the performance of the Board as a whole as well as the Board Committees.</p> <p>(ii) Contribution and performance of the AC and each individual AC member</p> <p>The NC has reviewed the term of office and performance of the AC and each of its members using a pre-designed assessment form. Based on the evaluation conducted in the financial year ended 31 December 2024, the NC and the Board were satisfied with the performance of all the AC members, and they have performed their functions in accordance with the TOR of the AC.</p> <p>(iii) Self-assessment on contribution and performance of each individual Director</p> <p>A set of the comprehensive self-assessment forms detailing all assessment criteria must be completed by each Director for evaluation by the NC. Criteria for the self-assessment include self-ratings on the Director's knowledge, support of the strategy and goals of the Company, time commitment, and active participation on the Board.</p> |

| | | |
|---|---|--|
| | <p>Based on the evaluation conducted in the financial year ended 31 December 2024, the NC and the Board were satisfied with the performance of the individual Directors.</p> <p>(iv) Assessment of Independence of the Independent Non-Executive Directors.</p> <p>The Board, through the NC, has also assessed the independence of the Independent Non-Executive Directors of the Company. Some of the criteria used are as follows:</p> <ul style="list-style-type: none"> - fulfilment of the definition of an Independent Non-Executive Director as set out in Paragraph 1.01 of Bursa Malaysia Securities Main LR. - ability to exercise independent judgement and act in the best interests of the Group. - potential conflicts of interest with regard to any contracts or transactions with the Group. <p>The independence of the Independent Non-Executive Directors of the Company had been fulfilled in accordance with Bursa Malaysia Securities Main LR and would not impede their independence in carrying out their duties in the respective Board and Board Committees.</p> <p>Overall, the Board Committees, individual Directors, individual AC members, and the Board as a whole had performed satisfactorily within expectations and had discharged their duties with care and diligence.</p> | |
| <p>Explanation for departure :</p> | | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |
| <p>Measure :</p> | | |
| <p>Timeframe :</p> | | |

Intended Outcome

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

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

Practice 7.1

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

| | | |
|---|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Company has in place a Remuneration Policy for Directors and senior management, which sets out the criteria applied in recommending their remuneration packages.</p> <p>The Remuneration Policy is available on the Company's website at www.prestar.com.my.</p> <p>The objective of the Group's Remuneration Policy is to create a strong performance-oriented environment and to attract, motivate, and retain experienced, qualified, and high calibre members of the Board as well as right calibre senior management.</p> <p>In the case of Executive Directors, the components of the remuneration package are structured so as to link rewards to corporate and individual performance. Whereas, the level of remuneration of the Non-Executive Directors is reflective based on their experience, time commitment and level of responsibilities as well as the market norm and practices.</p> <p>The RC reviews the remuneration of the Board from time to time to ensure that the Company offers fair compensation and enhances shareholders' value to the Company. The Directors' fees and benefits payable to the Directors are subject to the shareholders' approval at the forthcoming AGM of the Company. Whereas, the remuneration of senior management is the prerogative of the Executive Directors or Group Managing Director as they are responsible for recruiting, managing, monitoring and evaluating the performance of 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

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 | : | Departure |
| Explanation on application of the practice | : | |
| Explanation for departure | : | <p>The Board had set up the RC to assist the Board in implementing its policies and procedures on remuneration, which includes reviewing and recommending the proposed remuneration packages of the Directors of the Company.</p> <p>The RC comprises exclusively Independent Non-Executive Directors.</p> <p>The RC evaluates the remuneration packages of the Directors and thereafter recommends them to the Board for approval.</p> <p>The Non-Executive Directors' fees are determined by the Board as a whole and subject to the shareholders' approval at the AGM of the Company.</p> <p>The RC does not review the remuneration package for the senior management as the remuneration package of the senior management is determined based on the criteria set under the Remuneration Policy and approved by the Group Managing Director with the consultation of the Head of Human Resources department.</p> <p>The TOR of the RC is available on the Company's corporate website at www.prestar.com.my.</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

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

Practice 8.1

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

| | | |
|---|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | The details of remuneration of Directors of the Company comprising remuneration received/receivable from the Company and its subsidiaries during the financial year ended 31 December 2024 are set out in the table below. |

| 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 | Shamsudin @ Samad Bin Kassim | Independent Director | 66 | 3 | - | - | - | - | 69 | 66 | 3 | - | - | - | - | 69 |
| 2 | Dato' Siew Mun Wai | Independent Director | 45 | 3 | - | - | - | - | 48 | 45 | 3 | - | - | - | - | 48 |
| 3 | Dato' Quah Thain Khan | Independent Director | 43 | 2 | - | - | - | - | 45 | 43 | 2 | - | - | - | - | 45 |
| 4 | Wang Eng Lon | Independent Director | 43 | 3 | - | - | - | - | 46 | 43 | 3 | - | - | - | - | 46 |
| 5 | Dato' Toh Yew Peng | Executive Director | 15 | - | 961 | 240 | 23 | 229 | 1468 | 15 | 109 | 1623 | 391 | 23 | 406 | 2567 |
| 6 | Toh Yew Seng | Executive Director | 15 | - | - | - | - | - | 15 | 15 | 126 | 1456 | 385 | 28 | 376 | 2386 |
| 7 | Kenny Toh Jin Tat | Executive Director | 15 | - | - | - | - | - | 15 | 15 | 21 | 403 | 84 | 10 | 97 | 630 |
| 8 | Toh Hui Yi | Executive Director | 15 | - | - | - | - | - | 15 | 15 | 72 | 153 | 13 | - | 46 | 299 |
| 9 | Andy Toh Jin Hong | Executive Director | 15 | - | - | - | - | - | 15 | 15 | 50 | 276 | 49 | 7 | 73 | 470 |
| 10 | Jason Toh Jin Hin (appointed on 01.09.2024) | Executive Director | 5 | - | - | - | - | - | 5 | 5 | 217 | 286 | 28 | - | 102 | 638 |
| 11 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 12 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 13 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 14 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 15 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |

Intended Outcome

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

Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

| Application | : | Departure | | | | | | | | | | | | |
|---|---------------|---|----------------------------|---------------|-------------------|---|-------------------|---|-------------------|---|-------------------|---|-----------------------|---|
| Explanation on application of the practice | : | | | | | | | | | | | | | |
| Explanation for departure | : | <p>The Company disclosed the top five (5) senior management's remuneration components in bands of RM50,000.00 but not on the named basis as the Board is of the view that the detailed disclosures of individual remuneration information are sensitive and proprietary, besides the issue of personal security is also taken into consideration and may be wrongly used or quoted by certain parties.</p> <p>For the financial year ended 31 December 2024, the top five (5) senior management's remuneration components, including salary, bonus, benefit-in-kind, and other emoluments in bands of RM50,000.00, are shown below:</p> <table border="1" data-bbox="507 1301 1393 1581"> <thead> <tr> <th>Range of Remuneration (RM)</th> <th>No. of person</th> </tr> </thead> <tbody> <tr> <td>400,001 - 450,000</td> <td>1</td> </tr> <tr> <td>450,001 - 500,000</td> <td>1</td> </tr> <tr> <td>500,001 - 550,000</td> <td>1</td> </tr> <tr> <td>700,001 - 750,000</td> <td>1</td> </tr> <tr> <td>1,100,001 - 1,150,000</td> <td>1</td> </tr> </tbody> </table> <p><i>Note: Successive bands of RM50,000.00 are not shown entirely as they are not represented.</i></p> | Range of Remuneration (RM) | No. of person | 400,001 - 450,000 | 1 | 450,001 - 500,000 | 1 | 500,001 - 550,000 | 1 | 700,001 - 750,000 | 1 | 1,100,001 - 1,150,000 | 1 |
| Range of Remuneration (RM) | No. of person | | | | | | | | | | | | | |
| 400,001 - 450,000 | 1 | | | | | | | | | | | | | |
| 450,001 - 500,000 | 1 | | | | | | | | | | | | | |
| 500,001 - 550,000 | 1 | | | | | | | | | | | | | |
| 700,001 - 750,000 | 1 | | | | | | | | | | | | | |
| 1,100,001 - 1,150,000 | 1 | | | | | | | | | | | | | |
| <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 : | | |
|--------------------|--|--|

| 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 Chairman of the AC is Dato' Siew Mun Wai, whilst the Chairman of the Board is Encik Samad.</p> <p>Dato' Siew Mun Wai is an Independent Non-Executive Director, and he has no family relationship with any of the Executive Directors or major shareholders 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

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 | : | None of the AC members was a former partner of the external audit firm of the Company, i.e., the former partners of the audit firm and/or affiliate firm (including those providing advisory services, tax consulting, etc.). The Board has updated the TOR of the AC to require a former partner of the external audit firm of the Company to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC. | |
| Explanation for departure | : | | |
| | | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The AC has assessed the performance, competency, and professionalism demonstrated by the external auditors during the financial year ended 31 December 2024. The AC has recommended to the Board to carry out an industry benchmarking of the current external auditor's fee structure in relation to the service quality with other external auditors.</p> <p>The AC obtained the assurance of independence from the external auditors as well as assessed and recommended the audit fees payable to the external auditors to the Board for approval.</p> <p>The AC has considered and assessed the independence and objectivity of the external auditors during the year and also prior to engaging the external auditors for non-audit-related services.</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 | : | As at 31 December 2024, the AC comprises solely the following Independent Non-Executive Directors: (i) Dato' Siew Mun Wai (ii) Dato' Quah Thain Khan (iii) Mr. Wang Eng Lon |
| | | |

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | All members of the AC are financially literate and have the relevant skills, financial experience, and expertise in discharging their duties effectively. The Chairman of the AC is a qualified accountant and a member of the Malaysian Institute of Accountants. The qualifications and experience of the individual AC members are disclosed in the Board's Profile segment in the Annual Report 2024. During the financial year ended 31 December 2024, members of the AC received briefings from the external auditors on changes and updates to accounting standards, as and when they occurred. |
| 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 Group has established a risk management and internal control framework designed to identify and assess the risks faced by the Group and also to implement and monitor control measures to manage and mitigate risks identified by the Group Risk Management Committee (“GRMC”).</p> <p>The GRMC supports the Board in continually reviewing the activities of the Group to identify key business and operational risks and, whenever possible, implementing policies and procedures to address these risks. The GRMC presents Risk Management Committee Progress Reports to the AC and the Board for discussion and evaluation.</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 | : | The Board has disclosed the features and processes of its risk management and internal control framework in the Statement on Risk Management and Internal Control segment 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

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

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

Practice 10.3 - Step Up

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

| | |
|--|-------------|
| Application : | Not Adopted |
| Explanation on adoption of the practice : | |

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 (“IAF”) was outsourced to Tricor Axcelasia Sdn. Bhd., an independent professional service firm, up to 26 November 2024. With effect from 27 November 2024, Wensen Consulting Asia (M) Sdn. Bhd. was appointed to assume the internal audit role. The appointed firm is responsible for conducting regular reviews in accordance with the approved internal audit plan, as well as any ad-hoc assignments approved by the AC, with the objective of assessing the adequacy, efficiency, and effectiveness of the Group’s internal control system.</p> <p>The IAF reports directly to the AC and holds quarterly meetings with the Committee to present internal audit findings and discuss the corresponding corrective action plans to ensure that identified control weaknesses are promptly and appropriately addressed by Management.</p> <p>Further details regarding the IAF can be found in the AC Report and Statement of Risk Management and Internal Control segments 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 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 IAF is outsourced to an external professional firm to handle the internal audit matters of the Group. The personnel handling the Group’s audit are free from any relationship or conflict of interest, which could impair their objectivity and independence.</p> <p>The services of Tricor Axcelasia Sdn. Bhd., the external professional firm previously engaged for the Group’s IAF, was terminated on 26 November 2024. Subsequently, Wensen Consulting Asia (M) Sdn. Bhd. was appointed on 27 November 2024 to undertake the IAF of the Group.</p> <p>Mr. Lee Siew Weng, Derek, Senior Executive Director of Tricor Axcelasia Sdn. Bhd., served as the Engagement Director responsible for the internal audit of the Company. He is a Certified Internal Auditor and a member of the Institute of Internal Auditors Malaysia and the Malaysian Institute of Accountants.</p> <p>Following the appointment of Wensen Consulting Asia (M) Sdn. Bhd., Ms. Sin Siew Mun assumed the role of Engagement Director. She is a qualified member of the Association of Chartered Certified Accountants (ACCA) and a Certified Integrity Officer registered with the Malaysian Anti-Corruption Academy (MACA).</p> <p>The internal audit is conducted using a risk-based approach and is guided by the principles and standards set out in the International Professional Practices Framework (IPPF).</p> <p>Further information on the IAF is available in the Statement of Risk Management and Internal Control segment 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

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 Company recognises the value of transparent, consistent, and coherent communications with the stakeholders to be consistent with commercial confidentiality and regulatory considerations.</p> <p>The annual reports, press releases, quarterly results, and timely announcements on material corporate exercises are the primary modes of disseminating information on the Group's business activities and financial performance. These form an important channel of communication to reach the stakeholders.</p> <p>The Board also ensures that the stakeholders are given the opportunity to speak and seek clarifications during the Company's AGM for effective and transparent communications with its stakeholders.</p> <p>In addition, the Company maintains a website at www.prestar.com.my, which allows stakeholders and the general public to access information about the Group, including its profile, corporate profile, products, financial performance, and announcements published on Bursa Malaysia Securities' website.</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 | : | This does not apply to the Company as the Company is not classified as a "Large Company" as defined by the Malaysian Code on Corporate Governance. | |
| | : | | |
| <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 Notice of AGM, together with the Annual Report 2024, was sent to the shareholders on 28 April 2025, at least twenty-eight (28) days prior to the date of the AGM of the Company, i.e., 18 June 2025.</p> <p>The Notice of AGM includes details of the proposed resolutions and explanatory notes to enable shareholders to make an informed decision in 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 | : | Applied | |
| Explanation on application of the practice | : | <p>The Board ensures that all Directors, including the Chairmen of the AC, NC, and RC, attend the AGM of the Company and are available to respond to any questions directed to them.</p> <p>In addition, members of senior management and the external auditors are also present at the AGM of the Company to address any queries raised by shareholders, thereby facilitating transparent and effective engagement.</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 13.3

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>The Thirty-Ninth (“39th”) AGM of the Company held on 12 June 2024 was conducted virtually. The Company leveraged digital technology to facilitate greater shareholder participation and enhance the overall proceedings of the AGM of the Company through remote participation via live streaming and online voting for the poll on all resolutions tabled.</p> <p>The AGM proceedings and poll voting were conducted entirely through the Securities Services e-Portal (“SSeP”) platform. An administrative guide outlining detailed registration and voting procedures was provided to assist shareholders in navigating the online platform. This guide was also made available on the Company’s website to promote broader shareholder participation.</p> <p>To safeguard the integrity of the virtual meeting, the Company implemented appropriate information security measures to mitigate cyber threats and prevent data breaches.</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>At the 39th AGM of the Company, which was conducted virtually via an online platform, the Chairman successfully facilitated meaningful engagement between the Board, senior management and shareholders. Prior to the commencement of the official proceedings, the meeting started with a presentation by the Group Financial Controller, who provided an overview of the Group's financial performance, business developments, strategic initiatives, and future outlook.</p> <p>Shareholders were given the opportunity to submit questions relating to financial and non-financial matters, including the Group's long-term strategies, through a designated text box feature on the virtual platform.</p> <p>The Company subsequently published the responses to the questions raised during the AGM of the Company on its corporate website at www.prestar.com.my, ensuring transparency and continued engagement with shareholders.</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>In its continued effort to enhance shareholder engagement and leverage technology, the Company conducted its 39th AGM on 12 June 2024 via SSeP to facilitate shareholders to participate remotely and vote in absentia, thereby promoting broader access and participation. The SSeP is accessible to all eligible shareholders and facilitates active engagement with the Board and senior management.</p> <p>During the 39th AGM of the Company, all relevant questions submitted by shareholders, proxies, and corporate representatives were addressed. The Chairman, Group Managing Director, and the Company Secretary read out the questions and provided responses accordingly. Additionally, all submitted questions were made visible to participants during the meeting to ensure transparency.</p> <p>The Board and Management are committed to responding to as many questions as possible during virtual general meetings, providing clear and concise answers to foster meaningful engagement with shareholders.</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

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.

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|--|--|
| <i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i> | |
| Application | : Applied |
| Explanation on application of the practice | : The Minutes of the AGM, summary of key matters discussed at the 39th AGM of the Company is accessible at the Company's corporate website at www.prestar.com.my . |
| Explanation for departure | : |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | |
| Measure | : |
| Timeframe | : |

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

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

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