

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 9318  
**COMPANY NAME** : FITTERS DIVERSIFIED BERHAD  
**FINANCIAL YEAR** : August 31, 2025

## OUTLINE:

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

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

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

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

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

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

### **Intended Outcome**

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

### **Practice 1.1**

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board of Directors ("Board") of FITTERS Diversified Berhad ("FITTERS") is responsible for the performance and affairs of FITTERS and its subsidiaries ("Group").</p> <p>The Board is responsible for the overall corporate governance of the Group including reviewing, adopting and approving the Group's overall strategic direction, business plans, key operational initiatives, annual budget, major acquisitions or disposal of undertakings, capital commitments and funding decisions. Further, the Board also oversees the conduct and sustainability of the Group's business, assuming the responsibility for succession planning, reviewing the risk management process and internal control systems to minimise the downside risk for the Group in its business endeavours and to ensure compliance with relevant rules and regulations. The Board delegates the implementation and monitoring of these set directions and control systems to the Management.</p> <p>In discharging its fiduciary duties and leadership functions, the Board is guided by the Board Charter which sets out the principles and guidelines that are to be applied by the Board.</p> <p>In order to ensure the effective discharge of its fiduciary duties, the Board has also delegated certain responsibilities to the following Board Committees to assist in the execution of its responsibilities within their respective Terms of Reference ("TOR"):</p> <p class="list-item-l1">(a) Audit and Risk Management Committee ("ARMC"); and</p> <p class="list-item-l1">(b) Nomination and Remuneration Committee ("NRC").</p> <p>In order to inculcate good values and ethical standards, the Board has also established a Code of Conduct and Ethics which serves as an internal frame of reference for the Directors and employees of the Group in the conduct of their daily activities.</p>

	The Board Charter and TOR of the respective committees are available on the Company's website at <a href="http://www.fittersgroup.com">www.fittersgroup.com</a> .
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### **Intended Outcome**

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

### **Practice 1.2**

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group is led by Dato' Sok One A/L Esen, the Independent Non-Executive Chairman of the Company.</p> <p>The Chairman of the Board is responsible for the leadership, effectiveness, conduct and governance of the Board. The Chairman is committed to good corporate governance practices and has been leading the Board towards high performing culture.</p> <p>The roles and responsibilities of the Chairman of the Board have been specified in the Board Charter which is available on the Company's website at <a href="http://www.fittersgroup.com">www.fittersgroup.com</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

### Practice 1.3

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>The Chairman of the Board, Dato' Sok One A/L Esen, holds an Independent Non-Executive position and is primarily responsible for the leadership, governance and conduct of the Board as well as for ensuring the Board's effectiveness.</p> <p>The responsibilities of the Executive Director are carried out by the Datuk Tan Chor How Christopher and Mr. Pang Wei Kang, both the Executive Directors of the Company.</p> <p>There is a clear division of responsibilities between the Chairman and Executive Director as well as specific parameters in which decisions are made in order to ensure independence. The role of the Chairman and the Executive Director are separated with a clear division of responsibilities to ensure a balance of control, power and authority. The Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board while the Executive Director, has overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions.</p> <p>The respective duties and responsibilities of the Chairman and Executive Director are set out in the Board Charter.</p>
<b>Explanation for departure</b>	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:
<b>Timeframe</b>	:

## Intended Outcome

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

### Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
<b>Application</b>	: Departure
<b>Explanation on application of the practice</b>	
<b>Explanation for departure</b>	<p>The Chairman of the Board, Dato' Sok One A/L Esen is also a member of the ARMC and NRC.</p> <p>The Chairman of the Board does not have any conflict of interest in all aspects of the Group nor family relationships with any Directors or major shareholders of the Company which may affect his independence or influences his judgement. The Board believes that the diverse skills and competencies of the individual Directors, particularly the Independent Directors, have been instrumental in forming a competent and strong Board. Therefore, the Chairman's participation at the committee level should be determined by his ability to contribute and participate, as much as the need for objectivity. The Board also believes that the objectivity in receiving or assessing committees' reports has not been diminished in any way.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	: Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	: Choose an item.

## **Intended Outcome**

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

### **Practice 1.5**

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board is supported by a qualified and experienced Company Secretary, who is qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016 ("Act") and also is registered holders of the Practising Certificate issued by the Companies Commission of Malaysia. The new Company Secretary was appointed by the Board on 1 November 2025 for better management of the Company's secretarial and administrative duties.</p> <p>The Company Secretary plays an important role in facilitating the overall compliance with the Act, Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and other relevant laws and regulations. The Company Secretary also assists the Board and Board Committees to function effectively and in accordance with their TOR and best practices and ensure adherence to the existing Board policies and procedures. In order to discharge the roles effectively, the Company Secretary has been continuously attending the necessary training programmes, conferences, seminars and/or forums so as to keep herself abreast with the latest developments in the corporate governance realm and changes in regulatory requirements that are relevant to his profession and enable them to provide the necessary advisory role to the Board.</p> <p>The Board has direct access to the professional advice and services of the Company Secretary and his team when performing their duties and discharging their responsibilities.</p> <p>The Company Secretary had on 19 November 2025 briefed the Board on the recent amendments to the Listing Requirements of Bursa Securities Relating to Key Sustainability Reporting Requirements, Registration and Virtual Onboarding Sessions for the CSI Solution for the financial period ended ("FYE") 2025.</p> <p>During the financial year under review, the Board and Board Committees meetings were properly convened, and accurate and proper records of the proceedings and resolutions passed were taken and maintained in the statutory records of the Company.</p> <p>The Company Secretary also keeps the Directors and Principal Officers informed of the closed period for dealings in the Company's shares.</p>

	Overall, the Board is satisfied with the service and support rendered by the Company Secretary and his team to the Board in the discharge of functions.
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

## **Intended Outcome**

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

### **Practice 1.6**

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>To facilitate the Directors' time planning, an annual meeting calendar is prepared and circulated in advance prior to the new calendar year. The calendar provides the Directors with scheduled dates for meetings of the Board and Board Committees as well as the annual general meeting ("AGM"). The closed periods for dealings in securities by Directors and principal officers based on the scheduled dates of meetings for making announcements of the Group's quarterly results were also provided therein.</p> <p>The notices of Board and Board Committees meetings together with the meeting papers are generally furnished to the Board members within five (5) working days prior to the dates of meetings. This is to ensure that the Directors have sufficient preparation time and information to make an informed decision at each meeting. The Management and other advisers are invited to attend the meetings to report and brief on their respective areas of responsibilities, if required.</p> <p>The deliberations and conclusions of matters discussed in the Board or Board Committees meetings are duly recorded in the minutes of meetings. The draft minutes are circulated for the Board or Committee Chairman's review within a reasonable timeframe after the meetings. The minutes of meetings accurately captured the deliberations and decisions of the Board and/or the Board Committees, including whether any Director abstains from voting or deliberating on a particular matter.</p> <p>For matters which require the Board's decision on an urgent basis outside of Board Meetings, relevant supporting documents along with the Directors' Written Resolution will be circulated for the Board's consideration. All written resolutions approved by the Board will be tabled for notation at the next Board Meeting.</p> <p>All the records of proceedings and resolutions passed are kept at the registered office of the Company.</p>
<b>Explanation for departure</b>	:	

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

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

**Intended Outcome**

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

**Practice 2.1**

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies—

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board has formalised and adopted a Board Charter. The Board Charter was adopted on 30 March 2018 and it was last reviewed, revised and approved by the Board on 30 May 2022 made pursuant to the Malaysian Code on Corporate Governance ("MCCG").</p> <p>The Board Charter is intended to identify the role, structure and processes related to key governance activities of the Board. It also serves as a reference point for Board activities. It is designed to provide guidance and clarity for Directors and Management with regard to the roles of the Board and its Committees, the role of the Executive Director, the requirements of Directors in carrying out their roles and in discharging their duties towards the Company as well as the Board's operating practices.</p> <p>The Board Charter will be reviewed and updated as and when necessary to ensure it remains consistent with the Board's objectives and responsibilities and reflect the latest compliance requirements as a result of changes in the regulatory framework.</p> <p>The Board Charter is available on the Company's website, <a href="http://www.fittersgroup.com">www.fittersgroup.com</a>.</p>
<b>Explanation for departure</b>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	
<b>Timeframe</b>	



### **Intended Outcome**

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

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

### **Practice 3.1**

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Code of Conduct and Ethics is observed by all Directors, management and employees of the Group is available at <a href="http://www.fittersgroup.com">www.fittersgroup.com</a>.</p> <p>The Board has adopted a Code of Conduct and Ethics of the Company. The Code of Conduct and Ethics sets the corporate standards of conduct and to promote the corporate culture which engenders ethical conduct that permeates throughout the Company as well as specific guidance for handling issues like sexual harassment, conflict of interest, entertainment &amp; gifts, insider trading, bribes and corruption, money laundering.</p> <p>All Directors and employees of the Group must endeavour to observe the Code of Conduct and Ethics which provides guidance as to the ethical conduct to be complied to uphold the principles of honesty and integrity as well as to ensure a high standard of ethical and professional conduct is upheld in the performance of their duties and responsibilities.</p> <p>The Board will review the Code of Conduct and Ethics from time to time to ensure that it continues to remain relevant and appropriate.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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### **Intended Outcome**

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

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

### **Practice 3.2**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board had adopted a Whistle Blowing Policy to provide a defined avenue and accessible reporting channels for all Directors, employees, shareholders and any third parties associated with the Group to raise concerns or disclose any improper conduct within the Group.</p> <p>The Board will review and update the Whistle Blowing Policy as and when necessary to ensure that it remains relevant to the Group's changing business circumstances and/or comply with the applicable laws and regulations.</p> <p>The Whistle Blowing Policy is available on the Company's website at <a href="http://www.fittersgroup.com">www.fittersgroup.com</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## **Intended Outcome**

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

### **Practice 4.1**

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

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledged the importance of incorporating sustainability considerations into the Company's business and corporate activities, and how sustainability is essential to successful business strategies that could deliver sustainable value to all stakeholders and ultimately boosts the business performance of the Company.</p> <p>The Board together with the Management takes responsibility for the governance of sustainability in the Company, including setting the Company's sustainability strategies, priorities and targets. Performance against these clearly set out targets are communicated to the Company's internal and external stakeholders.</p> <p>As part of the efforts in promoting and building sustainability momentum within the Group, the Group had undertaken the following measures:</p> <ul style="list-style-type: none"><li>a) Environmental – ensure the operations are environmentally responsible and that adequate steps are taken to protect and effectively manage risks that may adversely impact the surrounding environment.</li><li>b) Economic – committed in maintaining the highest standard of integrity and corporate governance in order to maintain excellence across the businesses.</li><li>c) Social – be responsible corporate citizen through constantly re-assessing the Group's activities and businesses model to ensure positive impact at the workplace and in the community.</li></ul>
<b>Explanation for departure</b>	:	

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

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

### Intended Outcome

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

### Practice 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is cognisant of the fact that the Company's internal and external stakeholders should receive an unfiltered and complete view of the Company's sustainability strategies, priorities, targets and overall performance. This information should be comprehensive and include information on which stakeholders would be able to assess the Company's sustainability risks and opportunities.</p> <p>The Company has engaged with stakeholders in a variety of ways which had been done at both the business units and group levels through formal and informal activities. The collective opinions and insights from the stakeholders help the Board make an informed decision while aligning the stakeholders' expectations with the Company's sustainability priorities and business approach.</p> <p>Details pertaining to the stakeholders' engagement are available in the Sustainability Statement in the Annual Report for financial year ended 31 August 2025 ("Annual Report 2025").</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 4.3**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board through the NRC assessed the training programmes attended by each Director during the financial year to ensure they stay abreast with the latest developments in the industry as well as the sustainability issues relevant to the Group, including factors that are driving climate change, sustainable finance and achieving a sustainable business model.</p> <p>The key training programmes attended by each Director in the FYE 2025 are set out in the Corporate Governance Overview Statement of Annual Report 2025.</p> <p>The Company Secretaries regularly update the Board on the changes of the Listing Requirements of Bursa Securities and/or other regulatory requirements upon receiving the circulars from Bursa Securities and/or other regulators, which are relevant to the Company and provide advice on corporate disclosures and compliances issues.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 4.4**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board and the Senior Management have performed their respective roles in addressing material sustainability risks and opportunities.</p> <p>The performance evaluation of the Board in addressing the Group's strategic and business plans which promote sustainability materials matters was evaluated through the annual Board's effectiveness evaluation for the FYE 2025.</p> <p>Whereas for the Senior Management team, it is part of their key performance indicators which are reviewed annually.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### **Intended Outcome**

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

### **Practice 4.5- Step Up**

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

<i>Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.</i>	
<b>Application</b>	: Not Adopted
<b>Explanation on adoption of the practice</b>	:

## **Intended Outcome**

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

### **Practice 5.1**

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The NRC oversees the overall composition of the Board in terms of size, a mix of skills, experience and core competencies, as well as the balance between Executive Directors and Independent Non-Executive Directors.</p> <p>The effectiveness of the Board as a whole and the contribution of each Director to the effectiveness of the Board and the contribution of the Board's various committees will be assessed on an annual basis.</p> <p>The Board is fully aware that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years as recommended by the MCCG. However, if the Board intends to retain a Director who has served as an Independent Director of the Company for a cumulative term of more than nine (9) years, the Board must justify its decision and seek the shareholders' approval through a two-tier voting process at a general meeting. The Board acknowledges that the tenure of an Independent Director shall not exceed a cumulative term of twelve (12) years pursuant to the Listing Requirements of Bursa Securities. During the FYE 2025, none of our Directors has served the Board as an Independent Director of the Company for a cumulative term of more than nine (9) years.</p> <p>The annual re-election of retiring Directors has been contingent on a satisfactory evaluation of the retiring Directors' performance and contribution to the Board.</p> <p>In addition, the Directors' Fit and Proper Policy serves as a guidance to NRC and the Board for the appointment and re-election of Directors of the Group. The Directors' Fit and Proper Policy is published on the Company's corporate website at <a href="http://www.fittersgroup.com">www.fittersgroup.com</a>.</p>
<b>Explanation for departure</b>	

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

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

### Intended Outcome

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

### Practice 5.2

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

<b>Application</b>	:	Applied												
<b>Explanation on application of the practice</b>	:	<p>The present composition of the Board complies with Paragraph 15.02 of the Listing Requirements of Bursa Securities. All the Independent Directors are satisfied with the independence test under the Main Market Listing Requirements of Bursa Securities.</p> <p>The Board of the Company currently consists of five (5) Directors comprising one (1) Independent Non-Executive Chairman, one (1) Independent Non-Executive Director, two (2) Executive Directors and one (1) Non-Independent Non-Executive Director, as set out in the table below:</p> <table border="1"><thead><tr><th>Name</th><th>Designation</th></tr></thead><tbody><tr><td>Dato' Sok One A/L Esen</td><td>Independent Non-Executive Chairman</td></tr><tr><td>Datuk Tan Chor How Christopher</td><td>Executive Director</td></tr><tr><td>Wong Kok Seong</td><td>Independent Non-Executive Director</td></tr><tr><td>Pang Wei Kang</td><td>Executive Director</td></tr><tr><td>Pang Siaw Sian</td><td>Non-Independent Non-Executive Director</td></tr></tbody></table> <p>The Board operates in a manner that ensures the Directors exercise independent judgement and the interests of shareholders are always at the forefront when important decisions are made by the Board.</p> <p>The assessment of the independence of Independent Non-Executive Directors was conducted annually by the NRC via the Annual Evaluation of Independence of Director to ensure that the Independent Non-Executive Directors were independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement or the ability to act in the best interests of the Company.</p>	Name	Designation	Dato' Sok One A/L Esen	Independent Non-Executive Chairman	Datuk Tan Chor How Christopher	Executive Director	Wong Kok Seong	Independent Non-Executive Director	Pang Wei Kang	Executive Director	Pang Siaw Sian	Non-Independent Non-Executive Director
Name	Designation													
Dato' Sok One A/L Esen	Independent Non-Executive Chairman													
Datuk Tan Chor How Christopher	Executive Director													
Wong Kok Seong	Independent Non-Executive Director													
Pang Wei Kang	Executive Director													
Pang Siaw Sian	Non-Independent Non-Executive Director													
<b>Explanation for departure</b>	:													
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>														

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

### **Intended Outcome**

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

### **Practice 5.3**

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	There are no Independent Directors serving the Board beyond 9 years.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.4 - Step Up

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

*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.*

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

## **Intended Outcome**

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

### **Practice 5.5**

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

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board is of the view that it is important to recruit and retain the best available talent regardless of gender, ethnicity and age to maximise the effectiveness of the Board.</p> <p>In any appointment, a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge have been considered to maintain a diversified Board and Senior Management team, which will help to grow and contribute to better governance within the Group.</p> <p>The NRC is responsible to lead the process for the nomination of new Board appointments and making the necessary recommendations to the Board. In this respect, the role of the NRC is detailed in its TOR, which is accessible on the Company's website at <a href="http://www.fittersgroup.com">www.fittersgroup.com</a>.</p> <p>In making its recommendations to the Board, the NRC considers and assesses the suitability of a new appointment based on objective criteria, including:</p> <ul style="list-style-type: none"><li>• Qualification;</li><li>• Required competencies, skills, expertise and experience;</li><li>• Specialist knowledge or technical skills;</li><li>• Professionalism and integrity; and</li><li>• time commitment to the Company based on the number of directorships held</li></ul> <p>Likewise, the Directors are also required to notify the Chairman of the Board before accepting any new directorship and to indicate the time expected to be spent on the new appointment. The Directors must not hold more than five (5) directorships in listed companies to enable Directors to have sufficient time to focus and fulfil their roles and responsibilities effectively.</p>

	<p>At present, there is one (1) female Director on the Board.</p> <p>More women's representation on the Board and Senior Management will be taken into consideration if and when vacancies arise and when suitable candidates are identified, underpinned by the overriding primary aims of selecting the best candidate to support the achievement of the Company's strategic objectives based on criteria, merit and with due regard for diversity in skills and experience.</p> <p>The Board had adopted the Directors' Fit and Proper Policy to ensure a transparent and rigorous process for the appointment and re-election of Directors of the Group. This Policy is accessible on the Company's corporate website, <a href="http://www.fittersgroup.com.my">www.fittersgroup.com.my</a>.</p>
<b>Explanation for departure</b> :	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<b>Measure</b> :	
<b>Timeframe</b> :	

## Intended Outcome

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

## Practice 5.6

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

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The primary responsibility of screening, evaluating and nominating new Board member(s) for the appointment is delegated to the NRC.</p> <p>The members of the Board are to be appointed in a formal and transparent practice as endorsed by the MCGC. The NRC will scrutinise the candidates and recommend the same for the Board's approval. In discharging this duty, the NRC will assess the suitability of an individual by taking into account the individual's mix of skill, functional knowledge, expertise, experience, professionalism, integrity and/or other commitments that the candidate can bring to complement the Board.</p> <p>The policies and procedures for the recruitment and appointment of Directors are guided by the TOR of the NRC.</p> <p>The NRC leverages on various sources to gain access to a wider pool of potential candidates. Besides the recommendation from the existing Board members, Management and/or major shareholders, the NRC also considers potential candidates from the industry based on their educational background, skills, and experience.</p> <p>The Board will consider referrals from external sources to identify suitably qualified candidates when the need arises in the future and will not solely rely on recommendations from existing Board members, Management and/or major shareholders.</p>
<b>Explanation for departure</b>	
	<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>

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

### **Intended Outcome**

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

### **Practice 5.7**

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The performance of retiring Directors recommended for re-election at the 38 <sup>th</sup> AGM have been assessed through the NRC annual evaluation (including the independence of the Independent Non-Executive Director) and recommended to the Board for approval.  The profiles of the Directors who were due for retirement and offered themselves for re-election, which included the nature of interest with the Company, whichever applicable, were set out in the Annual Report 2025 of the Company.  Whilst for the retiring Directors for the forthcoming 39 <sup>th</sup> AGM, a statement by the Board and NRC being satisfied with the performance and effectiveness of the retiring Directors who offered themselves for re-election at the forthcoming 39 <sup>th</sup> AGM was stated in the notes accompanying the Notice of 39 <sup>th</sup> AGM.
<b>Explanation for departure</b>	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:
<b>Timeframe</b>	:

**Intended Outcome**

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

**Practice 5.8**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NRC is chaired by Mr. Wong Kok Seong who is an Independent Non-Executive Director of the Company.</p> <p>The details/profile of the NRC Chairperson is disclosed in the Annual Report 2025.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.9**

The board comprises at least 30% women directors.

<b>Application</b>	Departure
<b>Explanation on application of the practice</b>	
<b>Explanation for departure</b>	<p>The Board currently has one (1) female Director namely Ms. Pang Siaw Sian which represents 20% of the Board composition.</p> <p>The Board is of the view that it is important to recruit and retain the best available talent regardless of gender, ethnicity and age to maximize the effectiveness of the Board.</p> <p>Women's representation on the Board and in senior management will be taken into consideration when vacancies arise and suitable candidates are identified, underpinned by the overriding primary aim of selecting the best candidate to support the achievement of the Company's strategic objectives.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	Choose an item.

**Intended Outcome**

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

**Practice 5.10**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company had formalised and adopted a Gender Diversity Policy which provides a framework for the Company to improve its gender diversity at the Board and Senior Management levels. The NRC regularly assesses the optimum size, required mix of skills, experience, independence and diversity required collectively for the Board to effectively fulfil its role.</p> <p>The Board is supportive of gender diversity in the Board composition and Senior Management as recommended by the MCGC and will endeavour to continuously identify and assess suitably qualified female candidates for nomination.</p> <p>The Gender Diversity Policy is available on the Company's website at <a href="http://www.fittersgroup.com">www.fittersgroup.com</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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.*

<b>Application</b>	: Applied				
<b>Explanation on application of the practice</b>	<p>The Company has in place a formal process for assessment of the effectiveness of the Board and the Board Committees as a whole and the contribution by each Director, including the independence of the Independent Non-Executive Director to the effectiveness of the Board and Committees, making reference to the guides available and the good corporate governance compliance.</p> <p>The assessment of the Board and Board Committees is performed on a Board review whilst assessment of the individual Directors is performed on a peer review basis. Each Director is provided with the assessment forms for their completion prior to the meeting. The results of all assessments and comments by the Directors are summarised and deliberated at the NRC meeting and thereafter the NRC's Chairperson will report the results and deliberation to the Board.</p> <p>The annual assessment criteria of the Board and Board Committees and individual Directors were updated to stay aligned with the MCGC practices. The areas covered in the aforesaid annual assessment criteria are as follows:</p> <table border="1"><thead><tr><th>Evaluation</th><th>Assessment of Criteria</th></tr></thead><tbody><tr><td>Board and Board Committees as a whole</td><td><ul style="list-style-type: none"><li>• Role of the Chairman and Executive Deputy Chairman</li><li>• Board balance, size and composition</li><li>• Board structures and procedures</li><li>• Relationship of the Board to Management</li><li>• Quality and supply of information to the Board / Board's Committees</li><li>• Access to information and advice</li><li>• Accountability for financial reporting, internal control, sustainability risk and opportunities</li></ul></td></tr></tbody></table>	Evaluation	Assessment of Criteria	Board and Board Committees as a whole	<ul style="list-style-type: none"><li>• Role of the Chairman and Executive Deputy Chairman</li><li>• Board balance, size and composition</li><li>• Board structures and procedures</li><li>• Relationship of the Board to Management</li><li>• Quality and supply of information to the Board / Board's Committees</li><li>• Access to information and advice</li><li>• Accountability for financial reporting, internal control, sustainability risk and opportunities</li></ul>
Evaluation	Assessment of Criteria				
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		<ul style="list-style-type: none"> <li>• Relationship with Auditors / Shareholders / Investors</li> <li>• Use of Board Committees</li> <li>• Directors' training</li> </ul>
	ARMC	<ul style="list-style-type: none"> <li>• Composition and Quality</li> <li>• Oversight of the financial reporting process, including internal controls</li> <li>• Understanding the business, including risks</li> <li>• Access to information and advice</li> <li>• Oversight of audit functions</li> <li>• Compliance with corporate governance</li> <li>• External Auditors</li> <li>• Staying abreast on issues</li> <li>• Reports and recommendations</li> </ul>
	Executive Director	<ul style="list-style-type: none"> <li>• Financial</li> <li>• Strategic and Sustainability</li> <li>• Conformance and Compliance</li> <li>• Business Acumen / Increasing Shareholders' Wealth</li> <li>• Succession Planning</li> <li>• Personal input to the role</li> </ul>
	Non-Executive Director	<ul style="list-style-type: none"> <li>• Attendance at Board and Board Committees' meetings</li> <li>• Adequate preparation for Board and/or Board Committees' meetings</li> <li>• Regular contribution to Board / Board Committee meetings</li> <li>• Personal input to the role</li> </ul>
		<p>In respect of the annual performance evaluation for the FYE 2025, it was concluded that :-</p> <p>(a) the Board and Board Committees discharged their duties and responsibilities effectively; and</p> <p>(b) each Director continued to perform effectively and demonstrated commitment to his/her role.</p> <p>The Board is satisfied with the current evaluation process. The Board will continue to review the Board's evaluation process as and when necessary to ensure it remains a valuable feedback mechanism for improving the Board effectiveness.</p>
<b>Explanation for departure</b>	:	

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

## Intended Outcome

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

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

### Practice 7.1

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Company had established a formal and transparent Remuneration Policy which sets out the principles and guidelines for the Board and NRC to determine the remuneration of Directors and/or Senior Management of the Company.</p> <p>The Remuneration Policy is available on the Company's website at <a href="http://www.fittersgroup.com">www.fittersgroup.com</a>.</p> <p>The Board, assisted by the NRC, implements the policy and procedures on remuneration, which includes reviewing and recommending the proposed remuneration packages of the Directors of the Company. The RC is responsible to ensure that the remuneration packages are benchmarked with industry standards in light of the Group's performance in the industry as well as commensurate with the expected responsibility and contribution by the Directors and link to the strategic objectives of the Group.</p> <p>The Non-Executive Directors will be paid a basic fee as ordinary remuneration and will be paid a sum based on their responsibilities in committees and the Board, their attendance and/or special skills and expertise they bring to the Board. The fee shall be fixed in sum and not by a commission on or percentage of profits or turnover.</p> <p>Each Director shall abstain from the deliberation and voting on matters pertaining to their own remuneration.</p>
<b>Explanation for departure</b>	

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

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

### **Intended Outcome**

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

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

### **Practice 7.2**

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

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The NRC consists of majority Independent Non-Executive Directors and is governed by its TOR, which is available on the Company's website, <a href="http://www.fittersgroup.com">www.fittersgroup.com</a>.</p> <p>In the FYE 2025, the NRC carried out an annual review of the Directors' remuneration, whereupon recommendations were submitted to the Board for approval. Such annual review is to ensure that the remuneration package of the Directors remains sufficiently attractive to retain the Directors of such calibre to provide the necessary skills and experience and commensurate with their responsibilities to ensure the effective management and operations of the Group to achieve the Group's long-term objectives.</p> <p>The level of remuneration for Non-Executive Directors generally reflects the effort, time spent and level of responsibilities undertaken. They are paid a basic fee as ordinary remuneration, a sum based on their respective responsibilities in Board Committees, meeting allowance and reimbursement for reasonable expenses incurred in the course of their duties to ensure the remuneration and incentives for Independent Directors are not in conflict with their obligations to deliver objectivity and independent judgement on matters discussed at Board and Board Committees meetings.</p> <p>Each Director shall abstain from the deliberation and voting on matters pertaining to his own remuneration.</p>
<b>Explanation for departure</b>	

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

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

**Intended Outcome**

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

**Practice 8.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The detailed disclosure on a named basis for the remuneration of individual Directors for the FYE 2025 is set out below and also in the Corporate Governance Overview Statement of the Annual Report 2025.

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
1	Dato' Sok One A/L Esen	Independent Director	102	-	-	-	-	-	102	102	-	-	-	-	102
2	Hoo Swee Guan (Resigned on 1 October 2024)	Executive Director	-	-	300	-	-	61	361	-	-	300	-	-	61
3	Datuk Tan Chor How Christopher (Appointed on 15 October 2024)	Executive Director	-	-	550	-	-	111	661	-	-	550	-	-	111
4	Wong Kok Seong	Independent Director	85	-	-	-	-	-	85	85	-	-	-	-	85
5	Pang Siaw Sian (Appointed on 15 October 2024)	Non-Executive Non-Independent Director	52	-	-	-	-	-	52	52	-	-	-	-	52
6	Pang Wei Kang	Executive Director	49	-	250	-	-	-	330	49	-	250	-	-	31
7	Kho See Yiing (Resigned on 15 October 2024)	Independent Director	20	-	-	-	-	-	20	20	-	-	-	-	20
8	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				
9	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				
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here				
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				

12	Input info here	Choose an item.	Input info here											
13	Input info here	Choose an item.	Input info here											
14	Input info here	Choose an item.	Input info here											
15	Input info here	Choose an item.	Input info here											

### Intended Outcome

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

### Practice 8.2

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

<b>Application</b> :	Departure																
<b>Explanation on application of the practice</b> :																	
<b>Explanation for departure</b> :	<p>Due to confidentiality and sensitivity of the remuneration package of senior management as well as security concerns, the Company opts not to disclose the senior management's remuneration components on a named basis in the bands of RM50,000.</p> <p>The Board is of the view that the disclosure of the senior management's remuneration components would not be in the best interest of the Company given the competitive human resources environment as such disclosure may give rise to recruitment and talent retention issues.</p> <p>As an alternate, the Board is of the view that the disclosure of senior management's aggregate remuneration on an unnamed basis in the bands of RM50,000 is adequate.</p>																
<table border="1"><thead><tr><th><b>Range of Remuneration</b></th><th><b>No. of Senior Management</b></th></tr></thead><tbody><tr><td>RM300,001 to RM350,000</td><td>1</td></tr><tr><td>RM350,001 to RM400,000</td><td>1</td></tr><tr><td>RM400,001 to RM450,000</td><td>1</td></tr><tr><td>RM450,001 to RM500,000</td><td>-</td></tr><tr><td>RM500,001 to RM550,000</td><td>-</td></tr><tr><td>RM550,001 to RM600,000</td><td>-</td></tr><tr><td>RM600,001 to RM650,000</td><td>2</td></tr></tbody></table>		<b>Range of Remuneration</b>	<b>No. of Senior Management</b>	RM300,001 to RM350,000	1	RM350,001 to RM400,000	1	RM400,001 to RM450,000	1	RM450,001 to RM500,000	-	RM500,001 to RM550,000	-	RM550,001 to RM600,000	-	RM600,001 to RM650,000	2
<b>Range of Remuneration</b>	<b>No. of Senior Management</b>																
RM300,001 to RM350,000	1																
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RM550,001 to RM600,000	-																
RM600,001 to RM650,000	2																
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>																	
<b>Measure</b> :	Please explain the measure(s) the company has taken or intend to take to adopt the practice.																
<b>Timeframe</b> :	Choose an item.																

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

**Intended Outcome**

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

**Practice 8.3 - Step Up**

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

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

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

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Chairman of the ARMC is Mr. Wong Kok Seong, an Independent Non-Executive Director, whereas Board is chaired by Dato' Sok One A/L Esen. This separation of positions is to ensure that the Board's review of the ARMC's findings and recommendations are not impaired.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.2**

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company recognised the need to uphold the independence of its external auditors and that no possible conflict of interest whatsoever should arise. Currently, ARMC comprises three (3) members and none of the members were former key audit partners of the external auditors appointed by the Company. The Company will observe a cooling-off period of at least three (3) years in the event any potential candidate to be appointed as a member of the ARMC was a key audit partner of the external auditors of the Group.</p> <p>The requirement for a former key audit partner of the external audit firm to observe a cooling off period of at least three (3) years before being appointed as a member of the ARMC has been incorporated as part of the TOR of the ARMC.</p> <p>The TOR of the ARMC which was published on the Company's website at <a href="http://www.fittersgroup.com">www.fittersgroup.com</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.3**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board had established an External Auditors Assessment Policy which sets out the guidelines and procedures for the ARMC to review, assess and monitor the performance, suitability and independence of the External Auditors that consider amongst others, the following:-</p> <ul style="list-style-type: none"> <li>(a) Calibre of the audit firm;</li> <li>(b) Quality of the audit engagement team;</li> <li>(c) Quality of communication and interaction with the audit team;</li> <li>(d) Audit scope and quality processes;</li> <li>(e) Audit governance and independence; and</li> <li>(f) Audit fee.</li> </ul> <p>The External Auditors are precluded from providing any services that may impair their independence or conflict with their role as External Auditors.</p> <p>The ARMC shall obtain assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</p> <p>The Board, upon the recommendation of the ARMC, had recommended the re-appointment of the External Auditors for the financial year ending 31 August 2026 for shareholders' approval at the forthcoming AGM.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	Please provide an explanation on the adoption.

### **Intended Outcome**

There is an effective and independent Audit Committee.

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

### **Practice 9.5**

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The ARMC members possess the necessary skills and knowledge to discharge their duties in accordance with the TOR of the ARMC. The ARMC Chairman and all the ARMC Members are financially literate and they are able to understand matters under the purview of the ARMC including the financial reporting process.</p> <p>They are expected to devote sufficient time to update their knowledge and enhance their skills through appropriate continuing education programmes, so as to enable them to sustain their active participation during deliberations.</p> <p>During the FYE 202R, all members of the ARMC have undertaken continuous professional development to keep themselves abreast of relevant development in accounting and auditing standards, practices and rules. Details of their training are as set out in the Corporate Governance Overview Statement of the Annual Report 202R.</p> <p>During the ARMC meetings, the members have also been briefed by the External Auditors on the development or changes in the Malaysian Financial Reporting Standards and the relevant accounting requirements under the Companies Act 2016.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

### Intended Outcome

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

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

### Practice 10.1

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>The Board acknowledges its responsibility for maintaining a sound system of internal control to safeguard shareholders' investments and the Company's assets. The system of internal control covers not only financial controls but operational and compliance controls and risk management.</p> <p>The Board has delegated the responsibility of reviewing the adequacy and effectiveness of the risk management and internal control systems to the ARMC.</p> <p>Details of the Group's risk management and internal control framework are set out in the Statement on Risk Management and Internal Control of the Annual Report 2025.</p>
<b>Explanation for departure</b>	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:
<b>Timeframe</b>	:

### **Intended Outcome**

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

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

### **Practice 10.2**

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges its responsibility for reviewing the adequacy and integrity of the Group's risk management and internal control systems; identifying the principal risks in the Group; and establishing an appropriate control environment and framework to manage risks.</p> <p>Key elements of the Group's risk management and internal control systems have been established to facilitate the proper conduct of the Group's businesses.</p> <p>The Board is committed to maintain a strong control structure to facilitate the achievement of the Group's business objectives. Internal controls have been designed to provide reasonable assurance that the likelihood of significant adverse impact on business objectives arising from an event is at an acceptable level to the Group. It is also designed to manage and control risks appropriately, rather than eliminate the risk of failure to achieve business objectives. Due to the inherent limitations in all control systems, these control systems can only provide reasonable and not absolute assurance.</p> <p>The information on risk management and internal control framework are set out in the Statement on Risk Management and Internal Control of the Annual Report 2025.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### **Intended Outcome**

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

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

### **Practice 10.3 - Step Up**

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

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The ARMC comprises of majority Independent Non-Executive Directors and its scope and function are set out in the TOR which is available on the Company's website at <a href="http://www.fittersgroup.com">www.fittersgroup.com</a> .

## Intended Outcome

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

### Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Group's internal audit function is undertaken by Group in-house Internal Audit Department, which is independent from the Group's business operations. It reports functionally to the ARMC.</p> <p>The Internal Audit Function was designated to provide assurance of the effectiveness of the system of internal controls within the Group.</p> <p>The ARMC obtained assurance from the Group in-house Internal Auditors confirming that they are, and have been, independent throughout the conduct of the internal audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</p> <p>The ARMC shall carry out an annual performance assessment of the Internal Auditors. The annual evaluation form provides a checklist for the ARMC to carry out a formal review of the independence, effectiveness and efficiency of the Internal Auditors of the Company, among others, the following were some of the criteria reviewed by the ARMC:-</p> <ul style="list-style-type: none"><li>(a) Calibre of the internal audit firm;</li><li>(b) Quality of the internal audit engagement team;</li><li>(c) Quality of communication and interaction with the internal auditors;</li><li>(d) Internal audit scope and quality processes;</li><li>(e) Audit Governance and independence; and</li><li>(f) Internal audit fee.</li></ul> <p>The internal audit functions and activities carried out during the FYE 2025 are as disclosed in the ARMC Report of the Annual Report 2025.</p>
<b>Explanation for departure</b>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	

<b>Timeframe</b>	:		
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### Intended Outcome

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

### Practice 11.2

The board should disclose—

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Internal Audit Manager reports to the ARMC. This reporting relationship supports internal audit independence and objectivity which assures adequate consideration of audit recommendations and planned corrective actions. This relationship also gives the Internal Audit staff the authority needed for full and unrestricted access to any or all operations, records, property and personnel within the Group.</p> <p>The internal audit function is carried out in accordance with The International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The internal audit team consists of one staff, namely Mr. Alex Phang Kheng Seng. He is the Head of the Internal Audit Department and is a member of The Institute of Internal Auditors Malaysia (IIAM). The internal audit personnel are free from any relationships or conflicts of interest which could impair their objectivity and independence.</p> <p>The principles to having an effective internal audit function have been outlined in the Internal Audit Charter and Internal Audit Manual. The Internal Audit Charter sets out the purpose, authority, responsibilities, reporting of the Internal Audit function and maintaining independence and objectivity status.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### **Intended Outcome**

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

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

### **Practice 12.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the importance of being transparent and accountable to the Company's stakeholders and acknowledges that continuous communication between the Company and stakeholders would facilitate mutual understanding of each other's objectives and expectations. As such, the Board consistently ensures prompt and timely dissemination of information to the shareholders and the investors, for them to make informed investment decisions.</p> <p>The Company has adopted the Corporate Disclosure Policy, which is applicable to the Board and all employees of the Group, in handling and disclosing material information to our shareholders and the investing public.</p> <p>In ensuring effective, transparent and regular communication with its stakeholders, the following communication channels are primarily used by the Company to disseminate information to our shareholders and the investing public on a timely basis:</p> <ul style="list-style-type: none"><li>• The Company's website at <a href="http://www.fittersgroup.com">www.fittersgroup.com</a> provides corporate information of the Company and is accessible to the public. The Investor Relations function enhances the communication with its stakeholders and provides a channel for the stakeholders and general public to direct their enquiries and concerns to the Company;</li><li>• Press releases, general announcements, customer and investor events which provide up-to-date information about the Group and its businesses;</li><li>• Quarterly announcements and material disclosures to Bursa Securities, which are available on Bursa Securities' website at <a href="http://www.bursamalaysia.com">www.bursamalaysia.com</a> and on the Company's website at <a href="http://www.fittersgroup.com">www.fittersgroup.com</a>;</li><li>• General meeting which serves as another key avenue of communication with its shareholders of the Company where they</li></ul>

	<p>may raise questions and concerns or seek clarifications on the Company's business and reports from the Company Directors; and</p> <ul style="list-style-type: none"> <li>• Annual reports and circulars to shareholders to maintain an active dialogue with shareholders with the intention of giving shareholders as much as possible, a clear and complete picture of the Company's performance and position, corporate development, sustainability progress and the value created by the Group.</li> </ul>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

**Intended Outcome**

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

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

**Practice 12.2**

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

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

### Intended Outcome

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

### Practice 13.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The notice for convening the 38<sup>th</sup> AGM of the Company that scheduled to held on 27 September 2024 was issued to shareholders on 31 July 2024, which is more than 28 days before the date of 38<sup>th</sup> AGM.</p> <p>The notice for convening the forthcoming 39<sup>th</sup> AGM of the Company which is scheduled to be held on 27 February 2026 was sent to the shareholders at least twenty-eight (28) days before the date of the 39<sup>th</sup> AGM.</p> <p>The notice of the 39<sup>th</sup> AGM provides a detailed explanation for the resolutions proposed along with any background information and reports or recommendations that are relevant, where required and necessary, to enable shareholders to have sufficient time to consider the resolutions that will be discussed and to make informed decisions in exercising their voting rights.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>All the Directors of the Company were present at the 38<sup>th</sup> AGM of the Company held on 27 September 2024.</p> <p>During the proceedings of the 38<sup>th</sup> AGM and EGM, the Chairman invited shareholders to raise questions pertaining to the Company's audited financial statements and other agendas tabled for approval at the meeting. All questions raised by the shareholders were answered and addressed accordingly.</p> <p>All the Directors of the Company will always endeavour to attend all general meetings and the Chairman of the Board Committees will provide meaningful responses to questions addressed to them.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### **Intended Outcome**

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

### **Practice 13.3**

Listed companies should leverage technology to facilitate—

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The 38<sup>th</sup> AGM was held on a fully virtual basis and entirely via remote participation and voting through live streaming and online remote voting using Remote Participation and Electronic Voting facilities via the online meeting platform at <a href="https://www.dvote.my">https://www.dvote.my</a> (Domain registration number with MYNIC: D6A434007).</p> <p>Alternatively, the shareholders who are not able to attend the physical general meetings, are encouraged to appoint the Chairman or any person(s), as their proxy(ies) to attend, participate, speak and vote at the meetings on their behalf.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

### Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>The Chairman ensures that the general meetings cater an important opportunity for effective communication with, and constructive feedback from the shareholders.</p> <p>Shareholders were encouraged to submit their questions before the 38<sup>th</sup> AGM or post the questions during the 38<sup>th</sup> AGM. In addition, upon commencement of the 38<sup>th</sup> AGM, the Chairman duly advised the shareholders that they were allowed and encouraged to submit their questions or queries throughout the 38<sup>th</sup> AGM.</p> <p>The Company encourages shareholder participation at its 38<sup>th</sup> AGM. These meetings provide an update for shareholders on their performance and offer an opportunity for shareholders to ask questions and vote. The Chairman and/or the Executive Directors read out and answered the relevant questions received.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

## Intended Outcome

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

### Practice 13.5

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

*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.*

<b>Application</b>	Applied
<b>Explanation on application of the practice</b>	<p>For the FYE 2025, the Board had engaged the Company's Share Registrar, Sectrars Management Sdn. Bhd. ("Sectrars") for Registration and Electronic Poling Services for the 39<sup>th</sup> AGM held on 27 February 2026.</p> <p>The detailed procedures to participate in the meeting remotely were provided to the shareholders in the Administrative Details of the 39<sup>th</sup> AGM sent through email and by ordinary post and the same was also published on the Company's website.</p> <p>Sectrars has in place a meeting platform that allows shareholders to participate online, using a smartphone, tablet or computer as well as view a live webcast of the meeting. As mentioned above, real time submission of typed texts is also available to encourage interactive participation from the shareholders.</p>
<b>Explanation for departure</b>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	
<b>Timeframe</b>	

## Intended Outcome

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

### Practice 13.6

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

*Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.*

<b>Application</b>	: Departure
<b>Explanation on application of the practice</b>	
<b>Explanation for departure</b>	<p>The minutes of the 38<sup>th</sup> AGM were not circulated to the shareholders, however, the Summary of Key Matters Discussed at the 38<sup>th</sup> AGM was published on the Company's website at <a href="http://www.fittersgroup.com.my">www.fittersgroup.com.my</a>.</p> <p>Please provide an alternative practice and explain how the alternative practice meets the intended outcome.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	Choose an item.

## **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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