

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7043
COMPANY NAME : XIN SYNERGY GROUP BERHAD
FINANCIAL YEAR : March 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 CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors ("Board") of Xin Synergy Group Berhad ("XSGB" or "the Company") remains committed in promoting greater internalisation of corporate governance culture and transparency within the Company and its subsidiaries ("the Group").</p> <p>The Board is responsible for the overall business performance within the Group by providing leadership, overall strategic plans and directions as well as management supervision.</p> <p>The Board delegated certain responsibilities and duties to the Board Committees. The responsibilities are set out in the Board Charter, which is published on XSGB's website at www.xinsynergy.com.my. The Board Committees discharge their stewardship duties and responsibilities within their respective clearly defined Terms of Reference.</p> <p>The duties and responsibilities of the Board are as follows:-</p> <ul style="list-style-type: none">(i) reviewing and adopting the overall strategic plans and programs for the Company;(ii) setting the aims of the management and monitoring the performance of the management;(iii) overseeing and evaluating the conduct of the business of the Company;(iv) identifying principal risks and ensuring implementation of a proper risk management system to manage such risks;(v) establishing a succession plan for senior management appointments;

	(vi) developing and implementing an investor relations program or shareholder communication policy for the Company;
	(vii) reviewing the adequacy and the integrity of the management information and internal controls systems of the Company; and
	(viii) approving the appointment and compensation of senior management staff.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>Mr. Steven Wong Chin Fung is the Independent Non-Executive Chairman of the Company. His profile is outlined under the Directors' Profile in the Company Annual Report for the financial year ended 31 March 2025 ("FYE 2025") ("Annual Report 2025").</p> <p>The responsibilities of the Chairman, among others, are as follows:-</p> <ul style="list-style-type: none">(a) Provides leadership in ensuring the effective functioning of the Board as a whole.(b) Leads the conduct of the Board meetings and initiates discussion within the Board.(c) Encourages active and fair participation from every Board member and ensures all views will be taken into consideration.(d) Acts as the intermediary between the Board and Management by coordinating smooth communication between both parties.(e) Establishes and monitors good corporate governance practices within the Group.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The positions of Chairman and Executive Director are held by different individuals. Presently, Mr. Steven Wong Chin Fung is the Independent Non-Executive Chairman, whereas Mr. Tan Boon Wooi is the Executive Director of the Company.</p> <p>There is a clear and distinct responsibility between the Chairman and the Executive Director to ensure that there is a balance of power and authority. The roles and responsibilities of the Chairman and Executive Director are clearly stated in the Board Charter, which is available on the Company's website at www.xinsynergy.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

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application	: Departure
Explanation on application of the practice	:
Explanation for departure	: <p>The Chairman of the Board, Mr. Steven Wong Chin Fung, is also a member of the Audit and Risk Management Committee ("ARMC"), Nomination Committee ("NC") and Remuneration Committee (RC").</p> <p>The Company is a moderate sized Board comprising only three (3) Independent Directors and the Chairman of the Board does not assume the position of the chairman of the Committees.</p> <p>With 3 Non-Executive Board members in the committees and taking into account the fact that matters within the committees' purview are matters reserved for the unanimous decision of the Board, the NC is of the view that there is adequate check and balance despite having the Board Chairman as a member of the committees during the financial year under review.</p> <p>All proposals are deliberated at the respective Board Committees level and decision making are based on deliberations among the committee members. The Board Chairman did not dominate any of the discussions at the Board or committee level.</p> <p>Decisions made by these committees are tabled as recommendations to the Board and such matters are further discussed at the Board level before decisions are made.</p> <p>The NC will continue to monitor and evaluate the need to increase the Board size if necessary.</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.

Application	: Applied
Explanation on application of the practice	<p>The Group is currently outsourcing the corporate secretarial function to Cospec Management Services Sdn. Bhd. ("CMS").</p> <p>The Board is supported by two (2) qualified and experienced Company Secretaries under Section 235(2) of the Companies Act 2016 ("Act") and are registered holders of the Practising Certificate issued by the Companies Commission of Malaysia.</p> <p>The Company Secretaries play an important role in facilitating the overall compliance with the Act, Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), Malaysian Code on Corporate Governance ("MCCG") and other relevant laws and regulations. The Company Secretaries team also assist the Board and Board Committees to function effectively and in accordance with their Terms of Reference and best practices and ensure adherence to the existing Board policies and procedures.</p> <p>In order to discharge the roles effectively, the Company Secretaries have been continuously attending the necessary training programmes so as to keep abreast with the latest developments in the corporate governance realm and changes in regulatory requirements that are relevant to their 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 when performing their duties and discharging their responsibilities.</p> <p>The Company Secretary had organised the following briefing to keep the Board abreast of the latest developments on the governance matters and provisions under the Listing Requirements of Bursa Securities:</p> <ul style="list-style-type: none">(i) 19 August 2024 – Beneficial Ownership Reporting(ii) 28 February 2025 – Key Amendments to the Listing Requirements of Bursa Securities.

	<p>During the financial year under review, all 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>Overall, the Board is satisfied with the service and support rendered by the Company Secretary and her team to the Board in the discharge of their functions.</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 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>To facilitate the Directors' time planning, an annual meeting calendar was prepared in advance of each new calendar year by the Company Secretaries. 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 notice of meetings of the Board and Board Committees are sent to the Directors via email at least five (5) business days prior to the meetings. Meeting materials are also circulated to Directors in advance prior to the Board and Board Committee meetings to ensure they have been given sufficient time to prepare for the meetings and, where required, to obtain further information and clarification to facilitate well-informed decision making during the meeting.</p> <p>In the intervals between scheduled Board and Board Committees meetings, for exceptional matters requiring urgent Board decisions, Board and Board Committees decisions are obtained via additional ad-hoc meetings convened or Directors' written resolutions which are supported with board papers, providing information necessary for the Board and Board Committees' deliberation to ensure the Directors are able to make informed decisions. All written resolutions approved by the Board will be tabled for notation at the next Board Meeting.</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 Board 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>All the records of proceedings and resolutions passed are kept at the registered office of the Company.</p> <p>All Directors have full and unrestricted access to a timely information about the Group. In addition, the Directors are also empowered to seek independent external professional advice at the expense of the Company, should they consider it necessary in the course of their duties.</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has formalised and adopted a Board Charter which sets out the strategic intent, composition, outlining their various functions and responsibilities of the Board. The Board Charter identifies the respective roles and responsibilities of the Board as a whole and the individual Director. The Board Charter also serves as a guidance and primary induction literature for the Board to effectively discharge its duties and functions.</p> <p>The Board would review the Board Charter from time to time to ensure it remains consistent with the Board’s objectives and responsibilities, and relevant standards of corporate governance.</p> <p>The Board Charter is accessible on the Company’s website at www.xinsynergy.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 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Code of Ethics and Conduct sets out the principles and standards of business ethics and conduct for the Directors, officers and employees of the Group in the performance and exercise their responsibilities and ensure accountability.</p> <p>The Code of Ethics and Conduct requires all employees and Directors to observe high ethical business standards, honesty and integrity and act in good faith in the best interest of the Company and its shareholders.</p> <p>The Board will review the Code of Ethics and Conduct from time to time to ensure that it continues to remain relevant and appropriate.</p> <p>The Code of Ethics and Conduct is accessible on the Company's website at www.xinsynergy.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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has formalised a Whistleblowing Policy which enables employees and stakeholders to report genuine concerns about unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements. The Policy sets out the channels and procedures for reporting improper conduct involving employees of the Group and the protection accorded to Whistleblowers. Any concern(s) could be raised with the employee's immediate superior or reported directly to the Executive Director and Chairman of the ARMC. The findings of the investigation performed on complaints received together with the proposed course of action will be reviewed by the ARMC for a decision.</p> <p>The Whistleblowing Policy will be reviewed by the Board from time to time to ensure it continues to remain relevant and appropriate.</p> <p>The Whistleblowing Policy is available at the Company's website: www.xinsynergy.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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is responsible to develop and grow the business in a sustainable manner and the senior management will provide support to manage the integration of sustainability in the operations of the Company.</p> <p>The management is committed to exploring the benefits of sustainable practices to the business and to implementing such practices to achieve the right balance between the needs of the community, the requirements of shareholders, stakeholders and economic success. The Board aims to create a culture of sustainability within the Group and the community, with an emphasis on integrating social, environmental and governance considerations into decision making and the delivery of outcomes.</p> <p>Our sustainability related activities undertaken and targets set out by the Company have been disclosed in the Sustainability Statement of the Company's Annual Report.</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.

Application	:	Applied
Explanation on application of the practice	:	<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 believes that transparency and communication are fundamental components of good corporate governance and serve to build vital relationships of trust with its internal and external stakeholders. Therefore, as with preceding years, the Company has produced a Sustainability Statement that forms part of the Annual Report. The Sustainability Statement aims to provide stakeholders with a tangible appreciation of the economic, environmental and social determinants that are being embedded within the Company's operations.</p> <p>Whilst the Company currently does not obtain external assurance specific to its Sustainability Statement, regular audits and/or verifications are conducted by external parties on its operating sites, various policies, processes, and programmes as mentioned in the Sustainability Statement. In addition, in the preparation of the Statement, the management has undertaken a validation process to verify the accuracy and integrity of the data reported.</p> <p>The details pertaining to the stakeholders' engagement are set out in the Sustainability Statement in the Annual Report.</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 4.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has sufficient knowledge and understanding of sustainability issues relevant to the Company and its business to conduct its responsibilities effectively and is committed to keeping abreast of sustainability issues related to the changing operating environment that are relevant to its business.</p> <p>The Sustainability Working Group, which was set up by the Board, assists the Board in the assessment and management of sustainability risk and opportunity of the Company.</p> <p>Furthermore, the Board, through the NC, assesses the training programmes attended by each of the Directors during the financial year to ensure that they keep abreast with the relevant developments in the business environment as well as the relevant regulatory requirements.</p> <p>The training programmes attended by each of the Directors during FYE 2025 are set out in the Corporate Governance Overview Statement of the Annual Report 2025.</p> <p>The Company Secretary regularly updates 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 provides advice on corporate disclosures and compliance issues.</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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The performance assessments of the Board and senior management include a review of the performance in addressing the Company’s material sustainability risks and opportunities. It is part of the procedure to measure progress against the achievement of sustainability targets in order to promote accountability of the Board and senior management and identify issues that may require intervention by the Board and/or senior management to ensure prompt corrective actions are taken.</p> <p>During the FYE 2025, the Board and the senior management have performed their respective roles in addressing material sustainability risks and 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 4.5- Step Up

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

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

Application	:	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.

Application	:	Applied
Explanation on application of the practice	:	<p>The NC assesses on an annual basis, the composition of the Board to ensure that the Board has the appropriate mix of skills, expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision making. The effectiveness of the Board is assessed annually in the areas of, among others, Board diversity, composition, and governance, addressing the sustainability risks and opportunities.</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 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.</p> <p>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 guide to the NC 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 website at www.xinsynergy.com.my.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 5.2

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

Application	:	Applied										
Explanation on application of the practice	:	<p>The current Board comprises four (4) members with three (3) of them being Independent Non-Executive Directors and one (1) Executive Director.</p> <table border="1"> <thead> <tr> <th>Name</th> <th>Designation</th> </tr> </thead> <tbody> <tr> <td>Steven Wong Chin Fung</td> <td>Independent Non-Executive Chairman</td> </tr> <tr> <td>Tan Boon Wooi</td> <td>Executive Director</td> </tr> <tr> <td>Kor Ming Keat</td> <td>Independent Non-Executive Director</td> </tr> <tr> <td>Tan Cheai Peng</td> <td>Independent Non-Executive Director</td> </tr> </tbody> </table> <p>The present Board composition complies with Paragraph 15.02 of the Listing Requirements of Bursa Securities and this Practice 5.2 of the MCGG.</p> <p>The presence of Independent Non-Executive Directors ensures that views, consideration, judgment and discretion exercised by the Board in decision making remain objective and independent whilst assuring the interest of other parties such as minority shareholders are fully addressed and adequately protected as well as being accorded with due consideration.</p> <p>The Independent Non-Executive Directors satisfy themselves under the self-assessment evaluation form to ensure that they were independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement or ability to act in the best interest of the Company.</p>	Name	Designation	Steven Wong Chin Fung	Independent Non-Executive Chairman	Tan Boon Wooi	Executive Director	Kor Ming Keat	Independent Non-Executive Director	Tan Cheai Peng	Independent Non-Executive Director
Name	Designation											
Steven Wong Chin Fung	Independent Non-Executive Chairman											
Tan Boon Wooi	Executive Director											
Kor Ming Keat	Independent Non-Executive Director											
Tan Cheai Peng	Independent Non-Executive Director											
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

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

Practice 5.3

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

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

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

Intended Outcome

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

Practice 5.4 - Step Up

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

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>	
Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board 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>The NC is delegated with the responsibility of assessing, considering and recommending to the Board, suitable candidates for appointment as Director, after taking into consideration the candidates' qualifications, background capabilities, competencies skills, expertise, experience, knowledges, technical skills, character, integrity, professionalism and time commitment to the Company based on the number of directorships. The Board will review the appropriate skills, independence and diversity (including gender diversity) required of the Board members, in the context of the needs of the Group.</p> <p>The NC 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 NC is detailed in its Terms of Reference, which is accessible on the Company's website at www.xinsynergy.com.my.</p> <p>The selection of senior management is also based on objective criteria and merit, with due regard to diversity in skills and knowledge, professional experience, age, gender and cultural background.</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. The Directors' Fit and Proper Policy is published on the Company's website at www.xinsynergy.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 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The NC is responsible for identifying and recommending suitable candidates to be appointed to the Board.</p> <p>The members of the Board are to be appointed in a formal and transparent practice as endorsed by the MCCG. The NC will scrutinise the candidates and recommend the same for the Board's approval. The NC uses a variety of sources for the identification of suitable candidates.</p> <p>The NC is open to referrals from external sources available, such as industry acquaintances, contacts in related industries, consultants, etc to gain access to a wide pool of potential candidates, besides tapping on the recommendations from existing Board members, Management or major shareholders. Shortlisted candidates would be required to furnish their curriculum vitae containing information on their academic/professional qualification, work experience, employment history and experience (if any) as directors of listed companies.</p> <p>The NC will perform an annual review of the required mix of skills and experience and other qualities including core competencies that Directors should bring to the Board and assess the effectiveness of the Board as a whole, as well as, look into succession planning, boardroom and gender diversity to ensure the effectiveness of the Board.</p> <p>The policies and procedures for the recruitment and appointment of Directors are guided by the Terms of Reference of the NC.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>The NC assessed the performance of the Directors who are seeking re-election at the AGM before recommending them to the Board for consideration. The Board will then recommend the re-election of retiring Directors to the shareholders for their approval at the AGM of the Company.</p> <p>The profile of the Director who was due for retirement and offered himself for re-election, which included the nature of interest with the Company, whichever applicable, was set out in the Annual Report 2025.</p> <p>A statement by the Board and NC being satisfied with the performance and effectiveness of the retiring Director who offered himself for re-election at the forthcoming 23rd AGM was provided in the notes accompanying the Notice of the 23rd AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The NC is chaired by Ms. Tan Cheai Peng, who is an Independent Non-Executive Director.</p> <p>The details/profile of the NC Chairperson is disclosed in the Directors' Profile of the Annual Report 2025.</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 5.9

The board comprises at least 30% women directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board currently has one (1) woman Director out of a total of four (4) Directors, representing 25% female representation at the Board level.</p> <p>The criteria to be used by the NC in the selection and appointment process is mainly to ensure the Board members possessing the character, integrity, relevant range of skills, knowledge, experience, competence and are time-committed to perform their roles and responsibilities with the highest integrity and professionalism as well as to act effectively, honestly and in the best interests of the Group.</p> <p>The Board recognises that this diversity acts as a source for fresh perspectives which ultimately benefits the overall deliberations taking place in the boardroom. Although the Company has not reached the 30% women representation target at the Board level, the Board decisions are made objectively in the best interests of the Group taking into account diverse perspectives and insights.</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. 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>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.10

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board recognises the value of developing and increasing the number of women on the Board and Senior Management roles in the Company and hence, had on 23 July 2024 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 level.</p> <p>The Company acknowledges the importance to promote gender diversity at the Board and senior management level and will actively work towards having more female Directors and senior management. However, to avoid any mismatch and ineffective appointment of the female Directors and senior management, the Company does not set any specific target for female Directors and senior management in this Policy.</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

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>					
Application	: Applied				
Explanation on application of the practice	: <p>The Board regularly evaluates its performance and the governance processes that support the Board's work with the aim to improve individual contributions, the effectiveness of the Board and the Board Committees.</p> <p>The annual evaluation is conducted internally through a formal process. The evaluation involves the Directors completing a set of self-evaluation questionnaires and submitting the results to the NC. The NC would review the result, assess and make recommendations to the Board.</p> <p>The annual assessment criteria of the Board and Board Committees and individual Directors stay aligned with the best practices recommended under the MCCG. The areas covered in the aforesaid annual assessment criteria are as follows:-</p> <table border="1"> <thead> <tr> <th>Evaluation</th> <th>Assessment Criteria</th> </tr> </thead> <tbody> <tr> <td>Board and Board Committees as a whole</td> <td> <ul style="list-style-type: none"> • Role of the Chairman and Executive Director • Board balance, size and composition • Board structure and procedures • Relationship of the Board to Management • Quality and supply of information to the Board/Board's Committees • Access to information and advice • Accountability for financial reporting, internal control and sustainability risk and opportunities • Relation with auditors/shareholders/investors • Use of Board Committees • Directors' training </td> </tr> </tbody> </table>	Evaluation	Assessment Criteria	Board and Board Committees as a whole	<ul style="list-style-type: none"> • Role of the Chairman and Executive Director • Board balance, size and composition • Board structure and procedures • Relationship of the Board to Management • Quality and supply of information to the Board/Board's Committees • Access to information and advice • Accountability for financial reporting, internal control and sustainability risk and opportunities • Relation with auditors/shareholders/investors • Use of Board Committees • Directors' training
Evaluation	Assessment Criteria				
Board and Board Committees as a whole	<ul style="list-style-type: none"> • Role of the Chairman and Executive Director • Board balance, size and composition • Board structure and procedures • Relationship of the Board to Management • Quality and supply of information to the Board/Board's Committees • Access to information and advice • Accountability for financial reporting, internal control and sustainability risk and opportunities • Relation with auditors/shareholders/investors • Use of Board Committees • Directors' training 				

ARMC	<ul style="list-style-type: none"> • Composition and quality • Oversight of the financial reporting process, including internal controls • Understanding the business, including risks • Access to information and advice • Oversight of audit functions • Compliance with corporate governance • External Auditors • Staying abreast on issues • Report and recommendations
Executive Directors	<ul style="list-style-type: none"> • Financial • Strategic and sustainability • Conformance and compliance • Business acumen/ increasing shareholders' wealth • Succession planning • Personal input to the role
Non-Executive Director/ Chairman	<ul style="list-style-type: none"> • Attendance at Board and Board Committees' meetings • Adequate preparation for Board and/or Board Committees' meetings/Key responsibilities of the Chairman • Regular contribution to Board/Board Committee meetings • Personal input to the role
<p>The evaluations undertaken by the NC during the FYE 2025 are as summarised below:-</p> <p>(a) Reviewed and assessed the performance of all Directors of the Company.</p> <p>(b) Reviewed and assessed the effectiveness of the Board and Board Committees as a whole.</p> <p>(c) Reviewed and assessed the independence of the Independent Non-Executive Directors of the Company.</p> <p>(d) Reviewed and assessed the performance of the ARMC.</p> <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's effectiveness.</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 Board had on 23 July 2024 established a Remuneration Policy to attract and retain Directors and senior management of the Company, which is published on the Company's website at www.xinsynergy.com.my.</p> <p>Remuneration of the Directors and senior management is determined by the RC taking into consideration business results of the Group, individual performance, function, workload, responsibilities, length of service, leadership and benefits-in-kind, in order to attract and retain Directors of calibre and with sufficient experience in contributing to the Group's success.</p> <p>The RC reviews and recommends the Directors' remuneration package to the Board for approval. The reward levels are commensurate with the competitive market and business environment in which the Group operates whilst being reflective of the corporate performance and consistent with the Group's culture, objective and strategy.</p> <p>Each Director shall abstain from the deliberation and voting on matters pertaining to their own remuneration.</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	:	Applied								
Explanation on application of the practice	:	<p>The RC comprises the following members, all being Independent Non-Executive Directors:-</p> <table border="1"> <thead> <tr> <th>RC</th> <th>Designation</th> </tr> </thead> <tbody> <tr> <td>Tan Cheai Peng, <i>Chairperson</i></td> <td>Independent Non-Executive Director</td> </tr> <tr> <td>Steven Wong Chin Fung, <i>Member</i></td> <td>Independent Non-Executive Chairman</td> </tr> <tr> <td>Kor Ming Keat, <i>Member</i></td> <td>Independent Non-Executive Director</td> </tr> </tbody> </table> <p>The RC is responsible for the development and review of the remuneration policy and packages of Directors, where necessary, and subsequently tables their recommendations to the Board on specific adjustments in remuneration (including fees and benefits) to commensurate with the contributions of the Directors.</p> <p>The Terms of Reference of the RC is available on the Company's website at www.xinsynergy.com.my.</p>	RC	Designation	Tan Cheai Peng, <i>Chairperson</i>	Independent Non-Executive Director	Steven Wong Chin Fung, <i>Member</i>	Independent Non-Executive Chairman	Kor Ming Keat, <i>Member</i>	Independent Non-Executive Director
RC	Designation									
Tan Cheai Peng, <i>Chairperson</i>	Independent Non-Executive Director									
Steven Wong Chin Fung, <i>Member</i>	Independent Non-Executive Chairman									
Kor Ming Keat, <i>Member</i>	Independent Non-Executive Director									
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

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	Detailed disclosure on a named basis for the remuneration package of individual Director of the Company for the FYE 2025 is set out below and disclosed 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	Total
1	Steven Wong Chin Fung	Independent Director	36	3.5	0	0	0	0	39.5	36	3.5	0	0	0	0	39.5
2	Tan Boon Wooi	Executive Director	12	3.5	0	0	0	0	15.5	12	3.5	334.7	25	0	0	375.2
3	Kor Ming Keat	Independent Director	30	3.5	0	0	0	0	33.5	30	3.5	0	0	0	0	33.5
4	Tan Cheai Peng	Independent Director	24	3	0	0	0	0	27	24	3	0	0	0	0	27
5	Peh Jia Yau <i>(resigned on 31 December 2024)</i>	Independent Director	10	2	0	0	0	0	12	10	2	0	0	0	0	12
6	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
7	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
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	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	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	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

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

Practice 8.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company adopts a remuneration system that is responsive to the market elements and performance of the Group and business divisions.	
		The Board acknowledged the need for transparency in the disclosure of its senior management's remuneration. Nonetheless, it takes the view that such disclosure might be detrimental to the Group's business interests, given the highly competitive human resource environment in which the Group operates, where intense headhunting for candidates with the requisite expertise, knowledge and relevant professional experience is the norm. As such, disclosure of specific remuneration information could give rise to recruitment and talent retention issues going forward.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The ARMC is chaired by Mr. Kor Ming Keat, who is an Independent Non-Executive Director of the Company whereas the Chairman of the Board is Mr. Steven Wong Chin Fung.</p> <p>The position of Board Chairman and ARMC Chairman are assumed by different individuals which allow the Board and ARMC to objectively review their findings and recommendation. This also to ensure that the Board’s review of the ARMC’s findings and recommendations are not impaired.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company recognised the need to uphold the independence of its external auditors and that no possible conflict of interest whatsoever should arise. Currently, none of the ARMC members were former partner of the external audit firm appointed by the Company.</p> <p>The Terms of Reference of the ARMC stated that a former partner of the external audit firm of the Company to observe a cooling-off period of at least (3) years before being eligible to be appointed as a member of the ARMC.</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 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board had established the External Auditors Assessment Policy ("EA Assessment Policy & Procedures") together with an annual performance evaluation form. The EA Assessment Policy is to outline the guidelines and procedures for the ARMC to review, assess and monitor the performance, suitability and independence of the External Auditors.</p> <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 had obtained 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 ARMC had carried out an annual performance assessment of the External Auditors and requested the Executive Director and the Finance team to join the assessment.</p> <p>The annual evaluation form provides a checklist for the ARMC to carry out a formal review of the independence, effectiveness and efficiency of the External Auditors of the Company that consider, among others, the following criteria:-</p> <ul style="list-style-type: none">• Calibre of the audit firm;• Quality of the audit engagement team;• Quality of communication and interaction with the audit team;• Audit scope and quality processes;• Audit governance and independence; and• Audit fee. <p>The Board, upon the recommendation of the ARMC, had recommended the re-appointment of the External Auditors for shareholders' approval at the forthcoming AGM.</p>

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted								
Explanation on adoption of the practice	:	The ARMC comprises three (3) members, all being Independent Non-Executive Directors. The composition of the ARMC is as follows:- <table border="1" data-bbox="523 741 1377 927"><thead><tr><th>ARMC</th><th>Designation</th></tr></thead><tbody><tr><td>Kor Ming Keat, <i>Chairman</i></td><td>Independent Non-Executive Director</td></tr><tr><td>Steven Wong Chin Fung, <i>Member</i></td><td>Independent Non-Executive Chairman</td></tr><tr><td>Tan Cheai Peng, <i>Member</i></td><td>Independent Non-Executive Director</td></tr></tbody></table>	ARMC	Designation	Kor Ming Keat, <i>Chairman</i>	Independent Non-Executive Director	Steven Wong Chin Fung, <i>Member</i>	Independent Non-Executive Chairman	Tan Cheai Peng, <i>Member</i>	Independent Non-Executive Director
ARMC	Designation									
Kor Ming Keat, <i>Chairman</i>	Independent Non-Executive Director									
Steven Wong Chin Fung, <i>Member</i>	Independent Non-Executive Chairman									
Tan Cheai Peng, <i>Member</i>	Independent Non-Executive Director									

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The members of the ARMC possess the necessary skills to discharge their duties in accordance with the Terms of Reference of the ARMC.</p> <p>The ARMC Chairman and ARMC members are financially literate and they are able to understand matters under the purview of the ARMC including the financial reporting process. The profiles of the ARMC members are provided in the Annual Report 2025.</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>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has established and adopted an effective risk management and internal control framework. The risk management framework incorporates a structured risk management process to identify, evaluate and manage the risks faced by the Group.</p> <p>The Board is also committed to maintaining and reviewing the adequacy and integrity of the internal control system that would provide reasonable assurance in monitoring the effectiveness and efficiency of operations, and reliability of financial reporting compliance with applicable laws and regulations.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Group has a well-defined and effective risk management and internal controls framework and policies, which will be regularly reviewed by the Board in response to changes in the regulatory and business environment.</p> <p>The ARMC reviews the Group’s risk profile and ensures that the principal risk identified, evaluated, and reported by management are well managed within the Group’s risk appetite and risk tolerance level. The summary of the risk register will be tabled at the ARMC meeting to ensure key risks and control strategies are deliberated and implemented. The ARMC is assisted by management to ensure that internal controls and risk management practices are implemented for managing the principal business risks of the Group.</p> <p>The Statement on Risk Management and Internal Control, as set out in Annual Report 2025 provides an overview of the state and features of the risk management framework and internal control processes within the Group.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application :	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 Board had established the Internal Auditors Assessment Policy (“IA Assessment Policy”) together with an annual performance evaluation form. The IA Assessment Policy is to outline the guidelines and procedures for the ARMC to review, assess and monitor the performance, suitability and independence of the Internal Auditors.</p> <p>The Internal Auditors are precluded from providing any services that may impair their independence or conflict with their role as Internal Auditors.</p> <p>The ARMC obtained assurance from the 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 will 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, which includes, among others, the following criteria:-</p> <ul style="list-style-type: none"> • Calibre of the internal audit firm; • Quality of the internal audit engagement team; • Quality of communication and interaction with the internal auditors; • Internal audit scope and quality processes; • Audit governance and independence; and • Internal audit fee. <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>
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

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 internal audit function is currently outsourced to TGS Advisory Sdn. Bhd. ("TGS"), an independent internal audit service provider. The Internal Auditors report directly to the ARMC. This reporting relationship promotes independence and objectivity, which assures adequate consideration of audit recommendations and planned suggestive corrective actions. The activities of the Internal Auditors are guided by the Internal Audit Plan, which was presented to and approved by the ARMC.</p> <p>The internal audit function is independent and performs audit assignments with impartiality, proficiency and due professional care. The internal audit adopts a risk-based approach in developing its audit plan which addresses the core auditable areas of the Group.</p> <p>The Internal Auditors ensure that its staff are professionally guided and trained to develop the appropriate competencies to perform their duties during the internal audit review. The number of audit staff deployed for each internal audit review is at least two (2) per visit.</p> <p>The head of internal auditors from TGS, both Mr. Tan Tian Wooi and Ms. Lim Ge Ru are members of the Malaysian Institute of Accountants.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of timely communication and thorough dissemination of information to the shareholders and various stakeholders, on major business developments and performance of the Group via appropriate channels of communication.</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> <p>(a) <u>Regular announcements to Bursa Securities</u></p> <p>Material information, updates and periodic financial reports are published on a timely basis through announcements to Bursa Securities.</p> <p>Shareholders and investors can obtain the Company's latest announcements such as quarterly financial results in the dedicated website of Bursa Securities at www.bursamalaysia.com.</p> <p>(b) <u>Corporate website</u></p> <p>A corporate website, i.e. www.xinsynergy.com.my is maintained and the said website contains relevant information for the shareholders, potential investors, stakeholders and the general public.</p>

	<p>(c) <u>Annual Reports</u></p> <p>The Company’s Annual Reports and circulars to the shareholders remain the central means of communicating to the shareholders, amongst others, the Company’s operations, activities and performance for the past financial year end, as well as the status of compliance with applicable rules and regulations.</p> <p>(d) <u>General Meetings</u></p> <p>General meetings serve as another key avenue of communication with its shareholders of the Company where they may raise questions and concerns or seek clarifications on the Company’s business and reports from the Company Directors.</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The notice of the 22nd AGM held on 12 September 2024 was sent to the shareholders on 31 July 2024, which is more than 28 days prior to the date of the 22nd AGM. This has given sufficient time to shareholders to review the Annual Report and consider the resolutions for any questions they might wish to raise at the 22nd AGM.</p> <p>Moreover, the Notice of the upcoming 23rd AGM of the Company scheduled to be held on 12 September 2025 was sent to the shareholders on 31 July 2025, which was also more than 28 days prior to the date of the 23rd AGM.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The following general meetings were held during the FYE 2025:</p> <ul style="list-style-type: none">(i) Extraordinary general meeting held on 10 May 2024;(ii) 22nd AGM held on 12 September 2024; and(iii) Extraordinary general meeting held on 14 March 2025 (“EGM 2025”), <p>(collectively referred to as “General Meetings FYE 2025”)</p> <p>All the Directors of the Company attended the General Meetings FYE 2025, save for Mr. Steven Wong Chin Fung, who was absent for the 22nd AGM and Ms. Tan Cheai Peng, who was absent for the EGM 2025 due to their health condition at that time.</p> <p>The Senior Management were also in attendance to respond to the shareholders’ queries, if any. The External Auditors were also invited to attend the 22nd AGM and assist the Board in addressing relevant queries raised by the shareholders.</p> <p>During the proceedings of the General Meetings FYE 2025, the chairman invited shareholders to raise questions pertaining to the agenda items tabled for approval at the meetings. All questions raised by the shareholders were answered and addressed accordingly.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	The General Meetings FYE 2025 were held physically at AC Hotels by Marriott Penang, 213, Jalan Bukit Gambir, Bukit Jambul, 11950 Pulau Pinang, Malaysia. Where possible, the Company will make an effort to conduct its general meetings at a venue that is easily accessible for the convenience of the shareholders.
	:	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.
<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 :	At the General Meetings FYE 2025, the Chairman/Chairperson of the meeting ensured that sufficient opportunities were given to shareholders to raise issues by providing ample time for the Question-and-Answer sessions during the meetings. The Company facilitates and encourages shareholder participation at the general meetings. These meetings provide an update for shareholders on its performance and offer an opportunity for shareholders to ask questions and vote. The Chairman/Chairperson and the Executive Director actively responded to relevant questions addressed to them during the AGM.
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 13.5

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

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

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application :	Departure
Explanation on application of the practice :	
Explanation for departure :	The minutes of the 22 nd AGM were not circulated to the shareholders.
	However, the Summary of Key Matters discussed at the 22 nd AGM was published on the Company's website at www.xinsynergy.com.my .
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

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

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

Click or tap here to enter text.