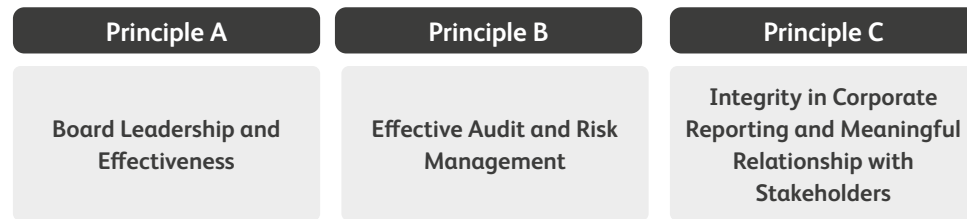


The Board of Directors (the Board) of Heineken Malaysia Berhad (the Company) remains committed to high standards of corporate governance and ethical business conduct, recognising their importance to the long-term sustainability and performance of the Company and its subsidiaries (the Group). The Company supports and applies the principles and recommended practices of the Malaysian Code on Corporate Governance (MCCG).

This Corporate Governance Overview Statement provides an overview of the governance practices adopted by the Company during FY2025 and should be read together with the Corporate Governance Report 2025 (CG Report 2025), Audit & Risk Management Committee Report, Statement on Risk Management and Internal Control, and ESG Review, which are available on the Company’s website at <https://www.heinekenmalaysia.com/corporate-governance/>

Compliance with the MCCG



As at the date of this Statement, the Company has materially complied with all applicable MCCG principles and adopted all recommended practices, including two step-up practices, except for the following departures:

Practice 1.4

The Board Chairman is also chairing the Nomination & Remuneration Committee.

Practice 5.2

The Board does not comprise a majority of Independent Directors.

Practice 6.1

The annual Board Effectiveness Evaluation for FY2025 was conducted internally, facilitated by the Company Secretary.

Practice 8.2

Senior management remuneration is not disclosed on a named basis.

Practice 13.3

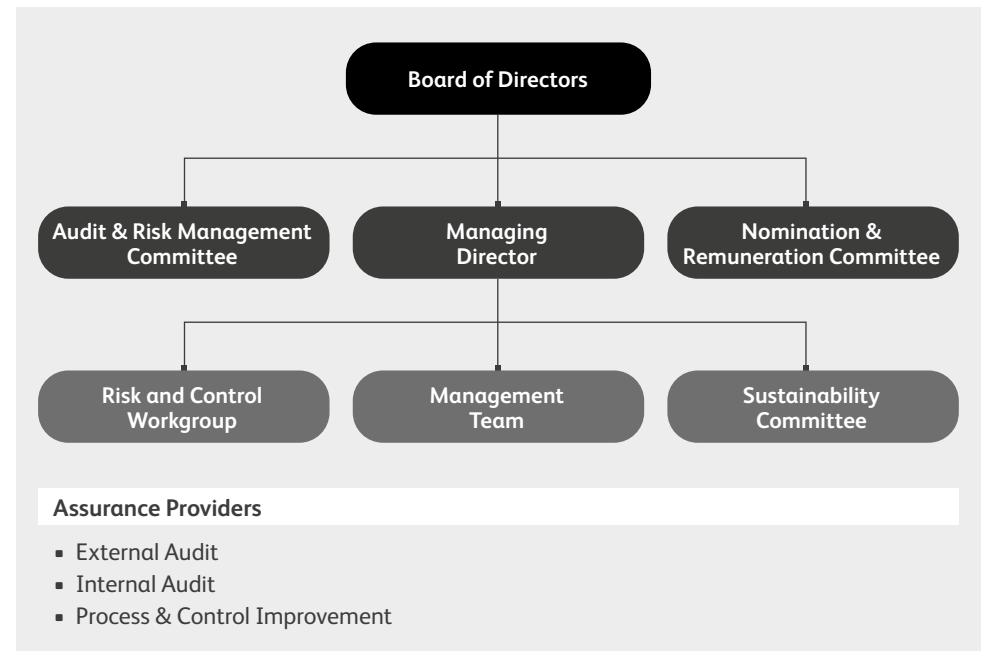
The Company held its general meeting in person, with no remote participation by shareholder.

Details of the Company’s application of the MCCG and explanations for these departures are set out in the CG Report 2025.

Principle A Board Leadership and Effectiveness

Governance Framework

The Board has established a clear governance framework to ensure the effective discharge of its duties. Specific authorities are delegated to Board Committees and Management, with appropriate oversight mechanisms in place. The governance framework is depicted as follows:



Board Responsibilities

The Board is collectively responsible for setting the Group’s strategic direction, overseeing business performance, promoting ethical conduct, and ensuring the interests of shareholders and other stakeholders are safeguarded. The Board operates in accordance with its Board Charter, which outlines its roles, responsibilities, composition and procedures. The Board Charter is available on the Company’s website at <https://www.heinekenmalaysia.com/corporate-governance/>.

The Board is supported by the Audit & Risk Management Committee (ARMC) and the Nomination & Remuneration Committee (NRC), each entrusted with responsibilities and authorities to review specific matters before the Board's approval. The Committees' Chairpersons report their discussions and recommendations to the Board.

The roles of the Chairman and the Managing Director are held by separate individuals. The responsibilities of the Chairman are outlined in the Board Charter. The Managing Director, appointed by the Board, is responsible for the day-to-day management of the Group and the implementation of strategies approved by the Board. The Managing Director is supported by the Management Team whose responsibilities and authorities are outlined in the Statement of Authority approved by the Board.

A schedule of key matters is specifically reserved for the Board's consideration and decision-making to ensure that the direction and control of the Group are in its hands. These matters are outlined in the Board Charter approved by the Board.

Board Meetings

The Board meets quarterly to review business and financial performance and discuss operational and industry issues and challenges affecting the Group, with additional meetings convened as required. In FY2025, the Board held four (4) meetings. The Finance Director and Company Secretary attended all meetings, while other Management Team members attended by invitation. The attendance of each Director at the Board meetings, was as follows:

Name	Designation	Attendance
Dato' Sri Idris Jala (Chairman)	Independent Non-Executive Director	4/4
Choo Tay Sian, Kenneth	Non-Independent Non-Executive Director	4/4
Lau Nai Pek	Senior Independent Non-Executive Director	4/4
Chua Carmen	Independent Non-Executive Director	4/4
Erin Sakinah Atan	Non-Independent Non-Executive Director	4/4
Martijn Rene van Keulen	Managing Director	4/4
Seng Yi-Ying (Resigned on 1 January 2026)	Non-Independent Non-Executive Director	*3/4

Shelly Kohli was appointed to the Board on 1 January 2026

* Absent from one meeting due to other commitments.

During Board Meetings, the Managing Director leads the presentation, providing comprehensive explanation of the Group's strategy and priorities, business performance and other pertinent issues whilst the Finance Director reports on the Group's financial performance and financial-related matters. Other Management Team members provide updates on activities and issues within their responsibility.

Directors are encouraged to actively participate and share their perspectives during deliberations in meetings. They may also pose questions to Management before each Board Meeting for better preparation. Board decisions are made by consensus. Directors with conflicts of interest abstain from deliberation and voting on the relevant matters.

The proceedings of all meetings, including discussed issues, decisions, dissenting views, abstentions, and action items are recorded in the minutes by the Company Secretary. Urgent or administrative matters between Board meetings are addressed through circular resolutions with supporting information. This procedure is also applicable to the Board Committees.

Independent Directors also met separately during FY2025, without the presence of Management or Non-Independent Directors, to exchange insights and potential enhancements in governance.

Access to Information and Advice

Directors are provided with timely, accurate, and comprehensive information to facilitate informed decision-making. Meeting materials are circulated at least five (5) days in advance, and Directors have unrestricted access to the Management Team and the Company Secretary. With the Board's approval, Directors may seek independent professional advice at the Company's expense on specific issues to assist them in discharging their duties effectively.

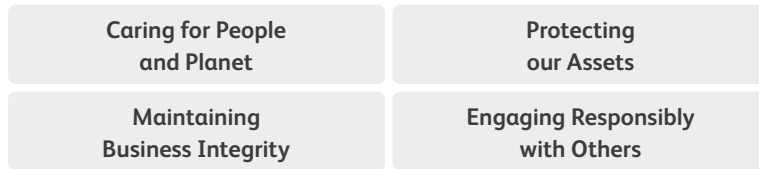
Directors' Training and Development

The Board recognises the importance of continuous professional development. All Directors, except for Shelly Kohli who joined the Board on 1 January 2026, have completed the Mandatory Accreditation Programme (MAP) Part I and Part II. Shelly Kohli has committed to complete the MAP Part I in March 2026 and Part II within the required timeline. During FY2025, Directors attended various training programmes relevant to governance, sustainability, risk management and industry developments, whilst some participated in forums and seminars as speakers and panellists in their areas of expertise.

Integrity and Ethical Conduct

The Board promotes a strong culture of integrity and ethical conduct across the Group. The Group has in place comprehensive policies, including the HEINEKEN Code of Business Conduct (HeiCode), Responsible Marketing Code, Supplier and Distributor Codes of Conduct, and the Speak Up Policy, which provides confidential channels for reporting misconduct without fear of retaliation.

HeiCode The Code outlines the key principles and expectations that apply to all individuals within the Group, covering topics such as discrimination, harassment, fraud, and corruption. It defines standards of conduct and behaviour expected at work, within and beyond the Group and applies to all business operations, organised into four (4) broad categories:



The HeiCode and related policies, communications and training materials are accessible through the Business Conduct Portal for employees. Each year, employees must complete e-learning modules covering anti-bribery and corruption, fraud and security awareness, data privacy, competition law, Life Saving Commitments and responsible consumption.

Board members and employees, including senior management, are required to annually disclose any potential conflicts of interest between their personal interests and those of the Company or its subsidiaries. This policy ensures Group decisions remain objective and free from personal bias.

Responsible Marketing Code The Code sets strict standards for marketing, promoting responsible drinking, avoiding appeal to minors, and not linking alcohol to social, sexual, health, or functional success. It ensures transparency, accuracy, safe behaviours, respect for consumer choice, and care for people and the planet, especially in high-risk areas like digital media, sponsorships, and promotions. All marketing materials are reviewed for compliance before publication.

Supplier Code and Distributor Code of Conduct The Code sets out the minimum standards expected of all suppliers and distributors to ensure responsible, ethical and sustainable business practices across the Group’s value chain. It requires compliance with all applicable laws and a commitment to conducting business with integrity and fairness, including zero tolerance for bribery, corruption, unfair competition and conflicts of interest, and proper management of financial records and confidential information. The Code also emphasises respect for human rights, fair labour practices, safe working conditions, reduced environmental impact, responsible sourcing, and effective grievance mechanisms, and it allows the Group to assess compliance and enforce corrective actions where standards are not met.

The Group has proactive measures to ensure its business partners uphold its values and dedication to responsible business conduct. The Group applies a due-diligence tool to identify and manage third-party risks such as bribery and corruption.

Speak Up Policy This Policy provides a confidential process for employees and stakeholders to report suspected misconduct or unethical practices without fear of retaliation. Reports can be submitted to designated trusted representatives appointed by the Company or through an independent, 24/7 Speak Up Service. A Global Speak Up Review Team, which comprises representatives from Global Business Conduct, Global Process & Control Improvement, Global Audit and Global People, reviews all reports to decide if concerns should be handled by the Global Integrity Committee or by respective companies involved. The policy has been communicated to the Group’s employees and business partners.

The HeiCode and the HEINEKEN Speak Up Policy are available on the Company’s website at <https://www.heinekenmalaysia.com/corporate-governance/>.

Sustainability Governance

The Board oversees the Group’s sustainability strategy, which is aligned with the updated HEINEKEN’s sustainability strategy “Brew a Better World 2030” (BaBW). The Group has in place ESG Framework and a Sustainability Policy to reinforce its commitment to integrating environmental, social and governance (ESG) factors such as climate-related issues, into the Group’s overall strategy and risk management processes.

The Board is supported by a Sustainability Committee which is responsible for strategically managing material sustainability matters, including the formulation and implementation of the Group’s sustainability priorities and initiatives. The Sustainability Committee is chaired by the

Managing Director, who is supported by a secretariat led by the Corporate Affairs & Legal Director (CAL Director). The committee comprises members of the Management Team who monitor the progress of sustainability performance within their respective pillars. The CAL Director reports to the Managing Director and provides quarterly updates to the Board on the progress of the sustainability priorities and initiatives undertaken by the Group.

The updated BaBW strategy continues to have clear ambitions and measurable goals across three pillars: Responsible Consumption, Social and Environmental. The objectives are to promote responsible consumption and no harmful use, foster fairness and inclusion, and reach net zero across our value chain.

Responsible Consumption	Social	Environmental
<ul style="list-style-type: none"> Always a Choice Address Harmful Use 	<ul style="list-style-type: none"> Foster Fairness and Inclusion Positive Impact in our Communities 	<ul style="list-style-type: none"> Towards Healthy Watersheds & Nature Maximise Circularity Reach Net Zero Carbon

The BaBW ambitions are in line with the benchmarks set by the United Nations Global Compact, aiming to contribute to the United Nations Sustainable Development Goals to protect the planet, ensure prosperity and end poverty. Initiatives within each priority area are driven by relevant functions and departments across the organisation.

Additional details regarding the Company's sustainability strategy and ambitions are reported in the ESG Review of this Annual Report. The Sustainability Policy is available on the Company's website at <https://www.heinekenmalaysia.com/corporate-governance/>.

Board Composition and Diversity

The Board comprises seven (7) Directors, including an Independent Non-Executive Chairman, a Managing Director and five (5) Non-Executive Directors. Three (3) of the Non-Executive Directors are Independent Directors whose primary responsibility is to provide independent perspective and safeguard minority shareholders' interests. Mr Lau Nai Pek, the ARMC Chairman, has been designated as the Senior Independent Non-Executive Director of the Company. His roles are outlined in the Board Charter.

The Board acknowledges the MCCG's recommendation that large companies' Board should maintain a majority of Independent Directors. Given the existing shareholding structure, where Heineken N.V. indirectly holds 51% equity interest through its wholly-owned subsidiary, GAPL Pte Ltd, the Board believes that to fully leverage the experience of the HEINEKEN Group and ensure

focus on long-term value creation, it is in the best interest of the Company and the stakeholders that the Board includes a fair and adequate representation of the major shareholders.

57%

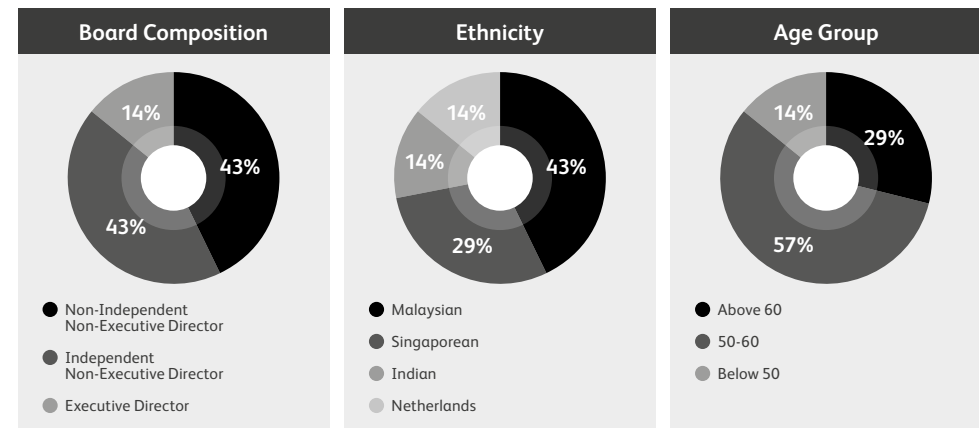
Male

43%

Female

The female representation on the Board has exceeded the Malaysian Government's target of 30% for public listed companies.

The Board is composed of highly qualified professionals with expertise in strategy, risk management, business, finance, media, sustainability, and legal matters. The Group values diversity and maintains a balanced mix of gender, ethnicity, age, and independence to ensure effective decision-making and these factors are considered during selection to provide a broad range of perspectives. The Board's diversity is depicted as follows:



On tenure limitations of Independent Directors, the Board is guided by the recommended approach under the MCCG. Shareholders' approval is sought to retain Independent Directors whose cumulative tenure exceeds the 9-year limit, failing which, they will be re-designated as Non-Independent Directors.

Appointments to the Board

Appointments to the Board follow a formal and transparent process led by the NRC. The NRC reviews the Board composition, identifies gaps, determines the selection criteria and assesses candidates based on professional knowledge and experience, guided by the Directors' Fit & Proper Policy. Candidates are sourced through professional networks and external channels, with engagement sessions held before a final recommendation is made.

The Directors' Fit & Proper Policy is available on the Company's website at <https://www.heinekenmalaysia.com/corporate-governance/>.

To uphold independence in accordance with MCCG best practices, the Board will ensure that individuals who are active politicians are neither appointed nor retained as Directors. Additionally, any former audit partners or their affiliates must observe a three-year cooling-off period prior to consideration for appointment as an Independent Director of the Company.

A comprehensive induction programme will be organised for newly appointed Directors to facilitate their understanding of the Group's business and operations, organisational structure, management functions and industry challenges. Management Team members will provide an overview of their responsibilities and key strategies. The programme also includes a brewery tour to enhance understanding of the supply chain operations.

Board Effectiveness Evaluation

The Board, with the assistance of the NRC and Company Secretary, conducts an annual evaluation of the Board, Board Committees and Directors' performance and contributions. This process involved the Board members completing online questionnaires that encompassed various parameters to evaluate the Board's effectiveness against best practices.

Based on the results of the FY2025 Board Effectiveness Evaluation conducted via an online survey, the Board was satisfied with its overall performance. It was concluded that both the Board and the Board Committees effectively discharged their responsibilities, demonstrating strong leadership, constructive dynamics, robust oversight, and positive engagement with Management, as outlined below:

- The Board operates within a robust governance framework, providing strategic oversight and constructively challenging Management to ensure effective implementation of strategy, risk management, and internal controls. The Board also demonstrated strong oversight of sustainability and ESG matters, stakeholder engagement, and corporate reporting.
- The Board has an appropriate size and a well-balanced composition, bringing diverse expertise that strengthens decision-making and governance. Directors demonstrated a clear understanding of their roles and consistently act with professional independence.
- The Board is led by a knowledgeable and respected Chairman. He facilitates open and meaningful engagement among Directors, fosters constructive discussions focused on the Company's best interests.
- Directors actively engaged in Board and Board Committee meetings, contributing practical insights and guidance for informed decisions and effective oversight of the Group's strategic direction and long-term priorities.
- Board Committees provided appropriate reporting and recommendations that enhance the Board's overall effectiveness.
- The Board and Management maintained a collaborative working relationship, with Management providing comprehensive and timely updates on strategy and performance and the Board providing valuable feedback.

For FY2026, the Board will continue its strategic oversight of the Group's business operations and performance management, focusing on the following priorities:

- Leveraging artificial intelligence to enhance productivity and operational efficiency.
- Developing strategies to strengthen competitive advantages and respond to evolving trends in alcohol consumption.
- Fostering leadership and talent development.

NRC

The NRC is responsible for assisting the Board with nomination and remuneration matters. The roles and responsibilities of the NRC are outlined in its Terms of Reference. The NRC consists of five (5) Non-Executive Directors, with a majority being Independent Directors including the Chairman.

Name	Designation	Date appointed	Years of service
Dato' Sri Idris Jala (Chairman)	Independent Non-Executive Director	1 January 2017	9 years +
Choo Tay Sian, Kenneth*	Non-Independent Non-Executive Director	26 October 2020	5 years +
Lau Nai Pek	Senior Independent Non-Executive Director	22 May 2021	4 years +
Chua Carmen	Independent Non-Executive Director	13 May 2023	2 years +
Erin Sakinah Atan*	Non-Independent Non-Executive Director	14 July 2023	2 years +

* Representing HEINEKEN, major shareholder of the Company.

The NRC meets once a year and it typically precedes with Board Meeting. The Managing Director and the Company Secretary attend every meeting, whilst the People Director attends by invitation. Decisions may be made through circular resolutions if needed. The NRC Chairman reports to the Board on matters deliberated at every NRC meeting.

In FY2025, the NRC held one (1) meeting with full attendance. At this meeting, the NRC deliberated and reported the following matters to the Board:

- Management’s proposals on short-term incentive payments and annual salary review for the Group’s employees.
- The effectiveness of the Board and the Board Committees, as well as Directors’ performance evaluations.
- Recommendation for re-election of retiring Directors and retention of a long-serving independent Director at the Company’s Annual General Meeting (AGM).

Additionally, during FY2025, the NRC considered and recommended the following appointments for the Board’s approval:

- Appointment of Ms Jana Martine Hanneman, to succeed Mr Christiaan Johannes Folkerts, as the Finance Director of the Company.
- Appointment of Ms Shelly Kohli, nominated by the major shareholder, to replace Ms Seng Yi-Ying as a Director of the Company.

The NRC’s Terms of Reference are available on the Company’s website at <https://www.heinekenmalaysia.com/corporate-governance/>.

Remuneration

The remuneration matters of the Group fall under the purview of the NRC. The NRC is guided by the following principles as stipulated in the Company’s Remuneration Policy:

- Remuneration should reflect performance, complexity, and responsibility with a view to attracting, motivating, and retaining high performance individuals whilst enhancing the Company’s value for its shareholders.
- Remuneration practices are benchmarked against external market data using remuneration surveys to ensure fair compensation for staff.
- The process of remuneration management shall be transparent, conducted in good faith and adhere to appropriate levels of confidentiality.

The remuneration of the Management Team including the Managing Director, is determined based on the HEINEKEN Global Senior Management Reward Policy. Their remuneration includes fixed pay, performance-linked components and a long-term incentive plan. The Managing Director’s salary excludes commissions and any share of the Group’s revenue. Additionally, the Managing Director does not receive any annual fee nor meeting allowances for attending Board and Board Committees Meetings. Each year, the Managing Director’s performance is evaluated based on both corporate and individual performance metrics.

The remuneration for Non-Executive Directors is determined based on a standard fixed fee structure. The Chairman of the Board and the Board Committees receive additional allowance in recognition of their additional responsibilities and commitments. Non-Executive Directors serving on the Board Committees are also entitled to an extra fee. Meeting allowances are provided for attendance at the Board and Board Committees Meetings. Further details regarding the remuneration package for Non-Executive Directors are reported in the CG Report 2025.

The NRC is responsible for reviewing the remuneration package for Non-Executive Directors to ensure it adequately reflects their expertise, level of responsibilities, contributions, and alignment with prevailing market standards. Any proposed changes to the remuneration package will be presented to the Board for consideration and approval.

The Board collectively determines the remuneration of Non-Executive Directors, based upon recommendation from the NRC. Individual Non-Executive Directors are required to refrain from deliberating and voting on their own remuneration. Director fees and any benefits payable to Non-Executive Directors are subject to shareholders’ approval at the AGM.

At the 61st AGM held on 7 May 2025, shareholders’ approval was obtained for the payment of Directors’ fees and benefits up to RM810,000 for the Non-Executive Directors for FY2025. The total remuneration paid to the Company’s Non-Executive Directors for FY2025 amounted to RM799,800. A detailed breakdown of the remuneration paid to both the Non-Executive Directors and the Managing Director serving during FY2025, is disclosed in the CG Report 2025.

The Remuneration Policy is available on the Company’s website at <https://www.heinekenmalaysia.com/corporate-governance/>.

Principle B Effective Audit and Risk Management

ARMC

The ARMC assists the Board in overseeing financial reporting, audit processes, risk management and internal control systems. It comprises three (3) Non-Executive Directors, most of whom are Independent, including the Chairman, who is not the Board Chairman. All members are financially literate, experienced, knowledgeable about the Group’s business, and can objectively review and recommend on ARMC matters, such as financial reporting. None of the ARMC members is a former audit partner. More details on the ARMC composition and responsibilities are provided in the Audit & Risk Management Committee Report.

The Board, via the NRC, evaluated the performance and effectiveness of the ARMC for FY2025 and is satisfied that the ARMC and its members have effectively discharged their functions, duties and responsibilities in accordance with the ARMC's Terms of Reference.

The Board ensures that the Group's financial statements comply with the relevant financial reporting standards and applicable legislation and regulations. The Statement by the Directors regarding the preparation of the Group's financial statements is included in the Financial Statements section of this Annual Report.

Independence of External Auditors

The Board, through the ARMC, maintains a professional and independent relationship with external auditors. The ARMC has direct communication authority and meets with them twice yearly to review audit plans, findings, and financial statements. It also holds private meetings without management to address concerns, confidential matters, and audit observations.

The ARMC evaluated the independence and objectivity of external auditors for statutory audits and prior to non-audit engagements. The external auditors, KPMG PLT, have confirmed compliance with both the Malaysian Institute of Accountants' By-Laws (on Professional Ethics, Conduct and Practice) (By-Laws) and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code). They have also affirmed that they have fulfilled their ethical responsibilities according to the By-Laws and IESBA Code.

The ARMC reviewed the non-audit services and related fees to ensure they do not compromise the auditors' independence, guided by the established policies on permissible and non-permissible services. For FY2025, the external auditors were primarily engaged to perform statutory audit on the Group's financial statements and review the Company's Statement on Risk Management and Internal Control. The fees for these services were disclosed in the Audit & Risk Management Committee Report. The ARMC also reviewed the audit firm's Annual Transparency Report.

Risk Management and Internal Control

The Group has adopted the HEINEKEN risk management and internal control systems which enable Management to identify, assess, prioritise and manage risks on a continuous and systematic basis. The Board, through the ARMC, regularly reviews the adequacy, integrity and effectiveness of these systems.

As an integral part of the risk management and internal control systems, an assessment is also performed through the HEINEKEN Risk and Control Matrix compliance programme on the internal controls surrounding the Group's financial reporting process on an annual basis, emphasising on transparency, accountability and safeguarding of the Group's assets. Assessment results are presented to the ARMC during their quarterly meetings.

The Internal Audit function, performed in-house, supports the ARMC and Management with risk management, internal control and governance. Guided by its Charter, it independently reviews the Group's internal control system to ensure that they are adequate for addressing risks and improvement recommendations are implemented. Led by the Head of Internal Audit, the function reports directly to the ARMC, which annually evaluates its performance and audit plan, including scope, methodology, resources, and authority. It operates independently from the activities it audits. Further information is available in the Audit & Risk Management Committee Report.

Based on the FY2025 evaluation carried out by the ARMC, the Internal Audit function was found to be effective and independent, offering valuable recommendations to strengthen controls within the Group. The Board considers the Group's risk management and internal control systems adequate and effective in protecting assets, shareholder investments, and stakeholder interests, with key features described in the Statement on Risk Management and Internal Control.

Principle



Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

Communication with Stakeholders

The Company prioritises timely and fair dissemination of material information to shareholders, investors and the public. It maintains proactive communication to foster mutual understanding among all stakeholders.

The Company is guided by the disclosure requirements stipulated under the Bursa Malaysia's Main Market Listing Requirements, Bursa Malaysia's Corporate Disclosure Guide, HEINEKEN Media Policy, and Financial Disclosure Guidelines. These guidelines specify the authorised spokespersons and outline how material information is shared, confidentiality is maintained, and information is disseminated.

The Company's Annual Report serves as a key communication tool with the Group's stakeholders, providing a comprehensive review of the Group's financial and non-financial performance. It is published on a timely basis and made available electronically to shareholders immediately upon release.

The Company leverages various communication platforms to engage with shareholders and stakeholders. These include announcements via Bursa LINK, publication on the Company's website, bi-annually results briefings with analysts, fund managers and media, engagements through the Investor Relations function and the Company's social media. In 2025, the Company conducted several engagement activities with its stakeholders. Details of the engagement activities are reported in the Stakeholder Engagement section within the ESG Review in this Annual Report.

Conduct of General Meetings

The Company's AGM serves as an important platform for shareholders to interact with the Board and Management. In 2025, the AGM was held in person at a centrally located venue. Shareholders were informed of the meeting well in advance, and all pertinent reports were made available on both the Company's website and Bursa Malaysia's website at least 28 days prior to the event. The AGM was attended by members of the Board and Management Team including the Finance Director, the Company Secretary, external auditors and shareholders.

At the AGM, the Managing Director presented a comprehensive review of the Group's business performance with insights into the Group's activities including new product launches, key challenges, market outlook and strategies, and priorities for the ensuing year, whilst the Finance Director provided an overview of the Group's financial performance. Shareholders were given the opportunity to raise questions, provide feedback, and vote by poll. During the meeting, the Chairman and the Managing Director addressed all the questions, including those from the Minority Shareholder Watch Group. All resolutions were decided by poll, with an independent scrutineer validating the votes. The poll results were announced before the conclusion of the AGM and published on the Company's website and via Bursa LINK the same day. Minutes of the meeting along with the written responses to relevant questions raised were also made available on the Company's website at www.heinekenmalaysia.com.

LOOKING AHEAD

The Board will continue to strengthen governance practices, enhance sustainability oversight and manage material risks effectively to support the Group's long-term growth and value creation.

This Corporate Governance Overview Statement was approved by the Board on 27 February 2026.

The Audit & Risk Management Committee (ARMC) comprises the following three (3) Non-Executive Directors, the majority of whom are Independent, including the Chairman:

Name	Designation	Date appointed	Years of service
Lau Nai Pek (Chairman)	Senior Independent Non-Executive Director	22 May 2021	4 years +
Choo Tay Sian, Kenneth*	Non-Independent Non-Executive Director	26 October 2020	5 years +
Chua Carmen	Independent Non-Executive Director	13 May 2023	2 years +

* Representing HEINEKEN, major shareholder of the Company.

Mr Lau Nai Pek is a member of the Malaysian Institute of Accountants whilst Mr Choo Tay Sian, Kenneth is a Chartered Accountant and a member of the Institute of Singapore Chartered Accountants. Accordingly, the Company complies with Paragraph 15.09(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Malaysia).

The representation of the major shareholder in the ARMC is essential in that it provides an avenue for the major shareholder's representative to share insights on HEINEKEN Global best practices and learning with the Company. None of the ARMC members were former audit partners who are required to observe a cooling-off period of at least three (3) years before being appointed.

The ARMC discharges its functions according to its Terms of Reference in that it supports the Board by ensuring:

- Accurate, timely financial reporting in compliance with applicable standards.
- Adequate internal controls that enable the Company and its subsidiaries (the Group) to operate effectively and efficiently.
- A robust risk management framework for the Group.
- Effective Internal Audit and independent, objective external audits.
- Compliance with relevant laws, regulations, and codes of business conduct.

The Terms of Reference of the ARMC are available on the Company's website at <https://www.heinekenmalaysia.com/corporate-governance/>.

ACTIVITIES OF THE ARMC

During FY2025, the ARMC had four (4) meetings with full attendance. The Managing Director, Finance Director and Head of Internal Audit normally attend the meetings, with other Management Team members invited as needed to clarify specific issues. Key matters deliberated by the ARMC during FY2025 included:

Financial Reporting and Dividend Distribution

- Reviewed quarterly Financial Reports for release to Bursa Malaysia, ensuring compliance with relevant financial reporting standards, Bursa Malaysia Listing Requirements and disclosure standards.
- Reviewed annual audited financial statements, including key disclosures for compliance with relevant financial reporting standards and the Companies Act, 2016.
- Considered dividend proposals and offered advice on dividend planning.
- Monitored business performance trends, cost drivers, working capital, cash flow, and CAPEX utilisation.

Risk Management

- Reviewed quarterly risk reports, including updates to the risk map, mitigation actions and control issues reported in the ServiceNow Integrated Risk Management system. Assessed key risks such as market conditions, illicit/counterfeit products, excise duty changes, US trade tariffs, IT and cybersecurity risks, digital tax stamp implementation and safety compliance.
- Reviewed adequacy and effectiveness of the Group's risk management and internal control framework based on Management's self assessments on internal controls over financial reporting and compliance with the HEINEKEN Rules.

Recurrent Related Party Transactions (RRPT) and Conflict of Interest

- Reviewed quarterly RRPT to ensure compliance with the Shareholders' Mandate, and the announcement to Bursa Malaysia in respect of the deviation between actual transacted value and estimated value provided in the Shareholders' Mandate.
- Reviewed the proposed Shareholders' Mandate for RRPT for renewal at the Annual General Meeting.
- Reviewed the processes that the Company has in place for identifying, evaluating, approving, reporting and monitoring of RRPT based on the assurance from the Internal Audit function.
- Reviewed potential conflict of interest situations based on declaration submitted by Board members, Management Team members and employees, along with the measures taken to mitigate the potential conflicts. No conflict-of-interest situation required ARMC's attention.

Internal Audit

- Reviewed the internal audit annual plan including the adequacy of the audit scope, approach, methodology, resources, and authority of the Internal Audit function in carrying out its audit activities.
- Reviewed the quarterly internal audit reports which encompassed the audit issues, audit opinion or conclusion, audit recommendations, Management's responses to these recommendations and improvement actions in internal controls, systems and process efficiency enhancements; and suggested additional improvement opportunities in the said areas.
- Monitored the implementation of audit recommendations on a quarterly basis to ensure all key risks and control gaps were addressed.
- Reviewed outcome of ad-hoc investigations / special reviews conducted by the Internal Audit function on matters concerning misconduct and suspicion of fraud or circumvention of internal controls within the Group.
- Reviewed the effectiveness of the audit process, resource requirements and assessed the performance and contributions of the Internal Audit function as well as the competency and performance of the Head of Internal Audit.

External Audit

- Reviewed the appointment of new auditors nominated by the major shareholder and oversaw the transition of auditors during the year.
- Reviewed the external audit plan, including audit materiality, key audit risks, IT controls, timelines and audit fees.
- Reviewed audit findings and observations focusing on key audit matters and key accounting and audit adjustments.
- Conducted private sessions with the external auditors without Management's presence to reinforce auditors' independence and objectivity.

For FY2025, the fees payable to the external auditors, KPMG PLT, for audit and non-audit services rendered to the Company and the Group are as follows:

	Company RM'000	Group RM'000
Fees for audit of the financial statements	250	405
Fees for other services : Limited assurance on the Statement on Risk Management and Internal Control	15	15
	265	420

The ARMC believes that the provision of these services by KPMG PLT was fair and reasonable given the scope of the audit and the size of the Group's business as well as their knowledge and understanding of the Group's operations, and they did not compromise their independence and objectivity.

Governance, Compliance, and Policy Oversight

- Reviewed key changes to the approval matrix, including risks associated with the changes and requested safeguards including fraud stress testing, segregation of duties assurance, stronger detective controls and increased post-implementation audit frequency.
- Reviewed updated HEINEKEN Rules covering human rights, procurement, responsible business conduct and sustainability reporting and oversaw the Group's adoption of IFRS S1 and S2 sustainability reporting standards for FY2025.
- Reviewed the Statement on Risk Management and Internal Control Guide 2025 to ensure compliance with its requirements.

In FY2025, the ARMC Chairman met twice with external auditors and held separate meetings with the Managing Director, Finance Director and the Head of Internal Audit before each ARMC Meeting. The ARMC Chairman briefed the Board on key issues discussed and highlighted important matters for their attention.

INTERNAL AUDIT FUNCTION

The ARMC is supported by the Internal Audit function, which undertakes independent reviews of the Group's internal controls to ensure effective risk management, anti-bribery and anti-corruption measures, Speak Up and governance processes.

The Internal Audit function operates in-house, headed by Eugene Ding Diew Ping who reports functionally to the ARMC and administratively to the Managing Director. The team does not have any direct operational responsibilities over audited activities, nor has it engaged in any activity that might impair their judgement. All the internal audit staff confirm annually that there were no conflicts impairing their objectivity and independence.

Eugene Ding Diew Ping, Head of Internal Audit, holds a Bachelor's Degree in Business (Accounting) from the University of Technology Sydney, Australia. He is a Chartered Accountant of the Malaysian Institute of Accountants and a Chartered Member of the Institute of Internal Auditors Malaysia (IIAM), with over 20 years of internal audit experience. Currently, he is supported by an Internal Audit Manager and an Internal Audit Executive. In FY2025, the team attended relevant trainings to enhance their competencies.

The Internal Audit function is guided by an Internal Audit Charter approved by the ARMC, which outlines its purpose, scope, responsibility and authority. Activities are conducted based on the approved Internal Audit Plan, which is developed based on the risk profiles from the Group's Risk Management Framework and in consultation with the Management Team. The ARMC reviews the audit scope, coverage and resource adequacy. At the quarterly ARMC meetings, the Head of Internal Audit reports to the ARMC on internal audit activities, resource requirements and significant risks, including fraud risks, control or governance issues requiring attention.

In carrying out the audit activities, the Internal Audit function has adopted the International Standards for the Professional Practice of Internal Auditing issued by the International Internal Audit Standards Board (IIA). The internal audit staff adhere to the Code of Ethics adopted by the IIA which sets out, among others, the principles relevant to the profession and practice of internal auditing and the rules of conduct expected of internal auditors.

For FY2025, the Internal Audit function completed 16 assignments, including 6 investigative audits on matters reported through the Speak Up channel and requested by Management. The audits were performed using a risk-based approach, followed by root-cause analysis, aligning with the Group's established framework for designing, implementing and monitoring internal controls. The audit covered various operational areas within the Group, which included:

- Regional sales offices and distributors management and safety standards
- Treasury management
- Finished goods management
- Changes to approval matrix in line with the implementation of new ERP system
- Compliance with the HEINEKEN Brand Promoters Policy
- RRPT

Findings from the audits were highlighted to Management who were responsible for ensuring that the agreed action plans to address the reported weaknesses were implemented within the required timeline. On a regular basis, the Internal Audit function reviewed the status of implementation of the recommended actions and preventive measures. The audit findings, audit opinion or conclusion and the status of implementation of the action plan were reported to the Risk and Control Workgroup and presented to the ARMC for review at their respective quarterly meetings.

The Internal Audit function also collaborated with the Process & Control Improvement Team to assess the Group's risk management process.

The total expenses incurred by the Internal Audit function in discharging its functions and responsibilities for FY2025 amounted to RM858,700 (FY2024: RM971,000). The expenses incurred comprised mostly of salaries and departmental overheads.

The ARMC evaluated the performance of the Internal Audit function for FY2025 and concluded that it was effective in discharging its duties. The Internal Audit team contributed valuable recommendations, which enhanced internal controls, improved process efficiency, and enabled cost savings. The function operated independently throughout the year.

EFFECTIVENESS OF ARMC

The Board, through the NRC, evaluated the ARMC's composition and performance for FY2025 and found that it had the right mix of knowledge and expertise to oversee the Group's financial reporting, audit, risk management and internal control. The ARMC members stayed updated with market and regulatory changes through relevant training and have unrestricted access to any information pertaining to the Group. The Board was satisfied that the ARMC has discharged its responsibilities effectively according to its Terms of Reference, noting that it provided clear reporting and useful recommendations to the Board. This led to more efficient and productive Board Meetings and strengthened governance, robust risk management, and financial integrity within the Group.

This report was approved by the Board on 27 February 2026.

Statement on Risk Management and Internal Control

This Statement on Risk Management and Internal Control (the Statement) outlines the nature and key elements of the risk management and internal control systems of HEINEKEN Malaysia and its subsidiaries (collectively, the Group) for FY2025. It is prepared with reference to the Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Companies 2025 (SORMIC Guide 2025), Paragraph 15.26(b) of the Bursa Malaysia Main Market Listing Requirements (MMLR) and Principle B of the Malaysian Code on Corporate Governance (MCCG).

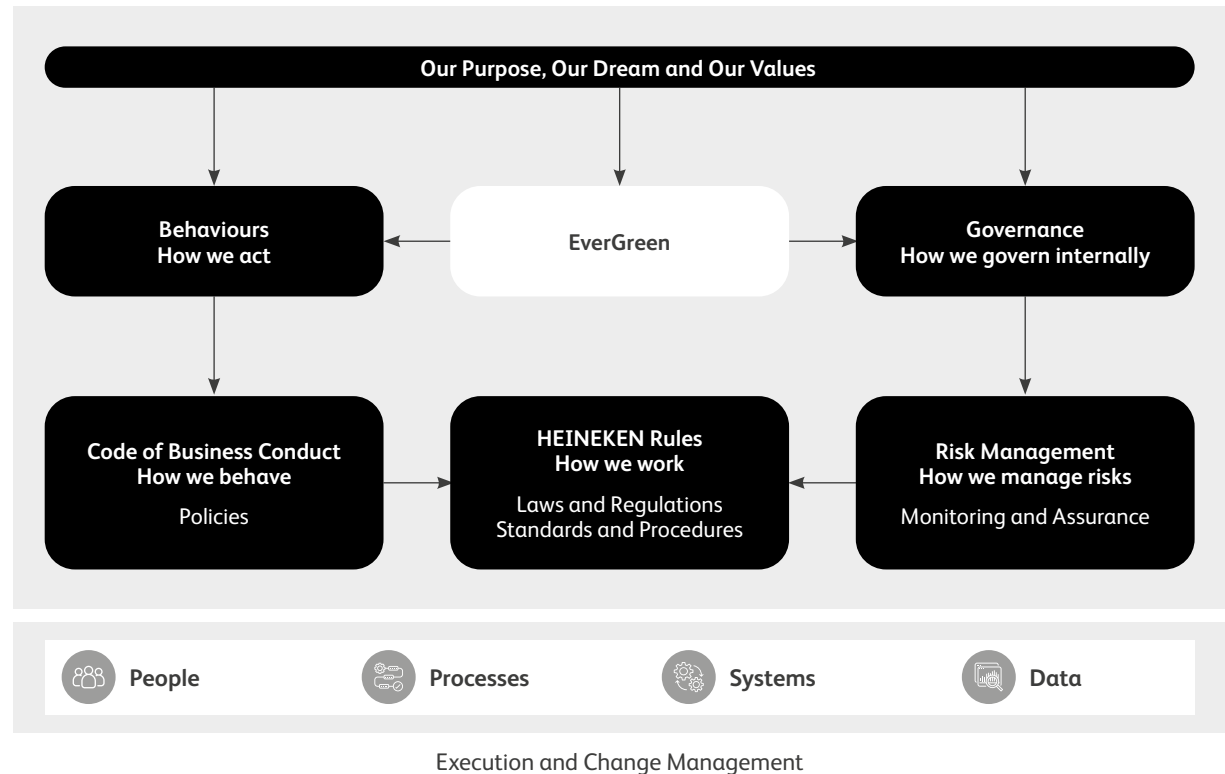
BOARD'S RESPONSIBILITY

The Board of Directors (the Board) is responsible and accountable for the Group's systems of risk management and internal control and for reviewing the effectiveness, adequacy, completeness and integrity of the system. In this regard, the Board is assisted by the Audit & Risk Management Committee (ARMC) who is responsible to ensure that appropriate methods and procedures are adopted in risk management and internal control activities and to obtain the level of assurance required by the Board.

BUSINESS FRAMEWORK

As part of the HEINEKEN Group, the Group has adopted the HEINEKEN Business Framework (the Business Framework), aligned with the Committee on Sponsoring Organisations (COSO) Enterprise Risk Management and Internal Control Framework, supporting a systematic, structured, and integrated approach to risk identification, assessment, mitigation, and monitoring across the Group.

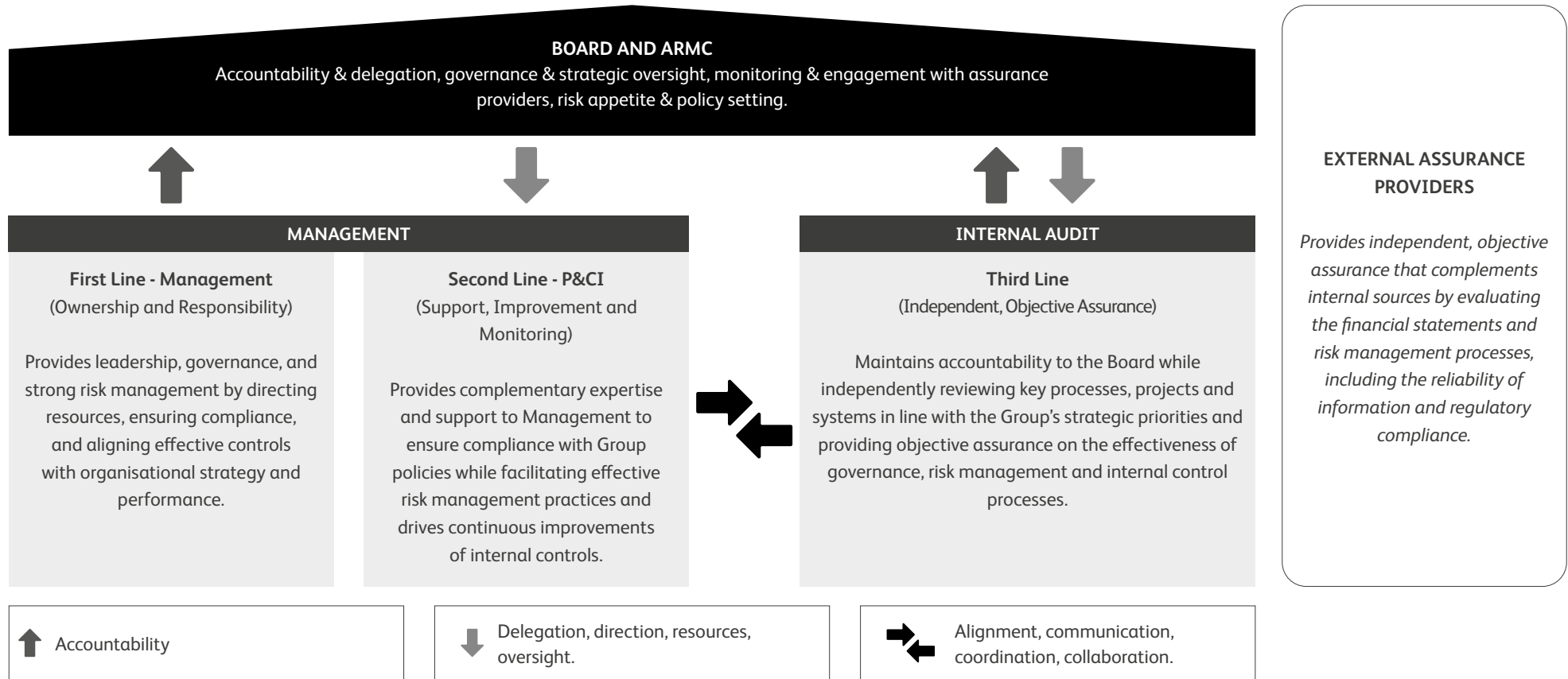
HEINEKEN's Purpose, Dream and Values underpin the HEINEKEN's EverGreen strategy, enabled by our organisational structure and strong governance. The behaviours provide clear guidance to all employees on how to act and foster a culture of achievement, collaboration, and growth, underpinned by a Behaviours Framework that reflects the expected attitude in decision-making, including risk-taking.



Continuous Risk Management is embedded in business processes, guided by the HEINEKEN Code of Business Conduct (HeiCode) and the HEINEKEN Rules (HeiRules) and supported by the Risk Assessment Cycles. As part of the Risk Assessment Cycle, the Management Team reviews and updates the risks faced by the Group on a quarterly basis throughout the year. The HeiCode and its underlying policies set out the Group's commitment to conduct business with integrity and fairness, and respect for the law and our values. The HeiRules articulates how we work and the standards to which we commit. They are a key element for managing the risks faced by our Company and translating our objectives into clear instructions on how to conduct our daily business.

THREE LINES MODEL

The Group applies the Three Lines Model, ensuring clear accountability and alignment of roles across the Board, Management, Process & Control Improvement (P&CI), Internal Audit, and external assurance providers.



The Board assumes ultimate accountability for the Group's risk management and internal control systems, with clearly defined authority and delegated responsibilities. In line with its governance and strategic oversight role, the Board approves key risk management policies, frameworks, and the Group's risk appetite, ensuring that risk considerations are embedded in strategy and decision-making. These include:

- Reviewing the Group's risk profile, including the risk map, principal risks and emerging risks such as ESG, climate, cybersecurity, data governance, and supply chain risks.
- Ensuring risk information is timely, relevant and decision useful, enabling sound governance and strategic direction.
- Directing and monitoring remediation of significant control or risk gaps, and ensuring adequate internal controls and ethical conduct across the Group.
- Overseeing the integration of sustainability risks in alignment with global standards, consistent with evolving regulatory and stakeholder expectations.
- Engaging with key assurance providers i.e. Management, P&CI, Internal Audit and external auditors to obtain independent and reliable assurance on governance, risk management and internal control effectiveness.

The ARMC operationalises this oversight by monitoring risk management implementation and reviewing periodic reports from Management, P&CI and Internal Audit, thereby supporting the Board in confirming the adequacy and effectiveness of the risk management and internal control systems.

Management provides strong leadership, governance and risk management through a structured assurance ecosystem. The Risk and Control Workgroup (RCW), which comprises members of the Management Team chaired by the Managing Director, oversees operational risk management and internal control, meets quarterly to review key risks and issues, with outcomes reported to the ARMC. The RCW is supported by the **P&CI Team** which is tasked to drive compliance and continuous process improvements. The P&CI Team, which comprises of a Manager and an Executive, is a function administered within the Finance Department.

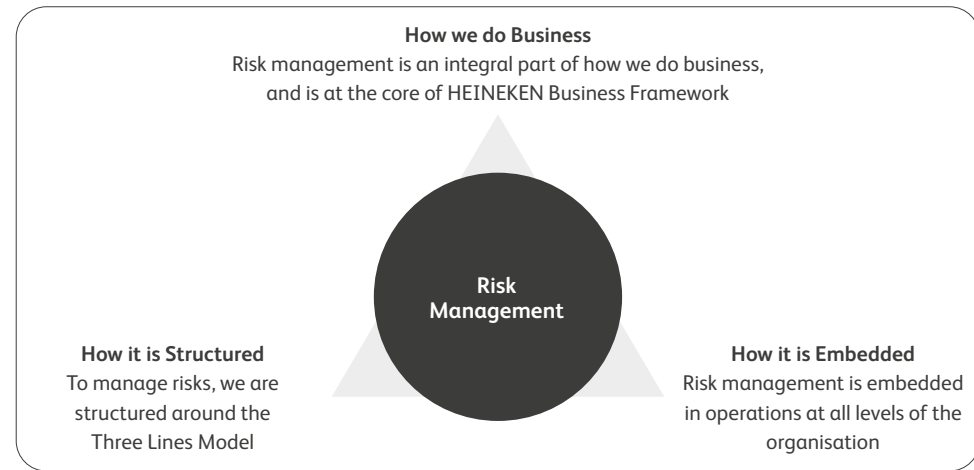
The **Internal Audit** function, which reports functionally to the ARMC and administratively to the Managing Director, operates independently of Management and performs systematic reviews to provide objective assurance on the adequacy, integrity, and effectiveness of the Group's governance, risk management, internal controls, anti-bribery/anti-corruption, and Speak Up processes. It has unrestricted access to information, records, personnel, and physical properties necessary to perform its duties.

Internal Audit conducts its reviews based on the risk-based Annual Audit Plan approved by the ARMC. Significant findings and recommendations relating to governance, risk management, internal control and regulatory compliance such as related party transactions, are reported to both the RCW and the ARMC at their quarterly meetings. The ARMC reviews Internal Audit's performance annually. Further details on Internal Audit activities for FY2025 are disclosed in the Audit & Risk Management Committee Report.

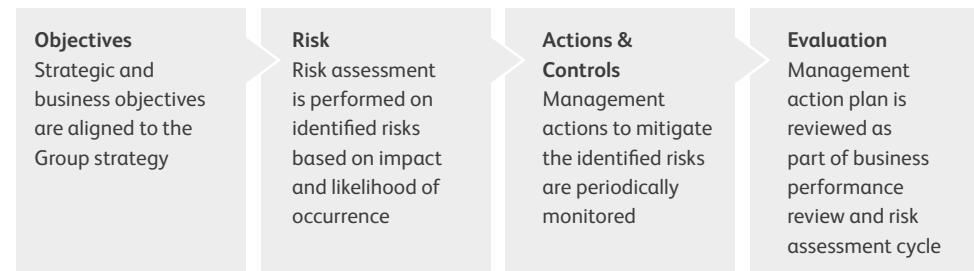
The **External Auditors** are responsible for evaluating and providing independent and objective assurance on the financial statements and risk management processes, including reliability of information and compliance with regulations. In addition, they serve as an addendum to the Three Lines Model to obtain additional assurance to satisfy legislative and regulatory expectations that serve to protect the interests of shareholders whilst satisfying requests by Management to complement internal sources of assurance.

RISK MANAGEMENT

Risk is an essential element when opportunities are assessed and strategies are set. At HEINEKEN Malaysia, risk management is an integral part of doing business, supported by good governance. The Group has adopted the HEINEKEN Risk Management Framework (the Risk Management Framework) which is embedded within the Business Framework. The Risk Management Framework addresses the risks the Group inevitably faces in achieving its strategy. Managing risks in a conscious manner increases the likelihood of delivering our strategies and business objectives. The Group has adopted a proactive approach to ensure risk management is embedded in our processes for effective decision-making which is essential to create and preserve the Group's long-term value.

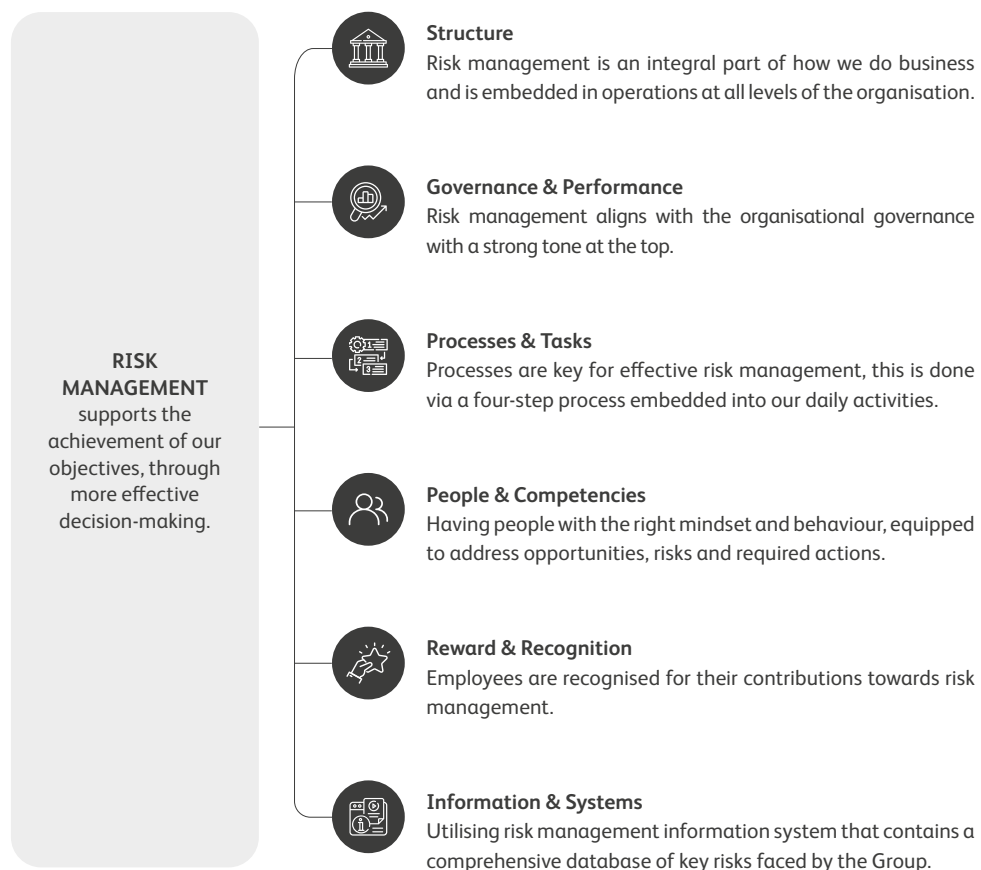


The Risk Management Framework is aligned with the COSO Enterprise Risk Management Framework, comprising a four-step process and six key pillars:



KEY PILLARS

The Group is guided by the Risk Appetite Statement determined by the HEINEKEN Global Functions. Changes to the Risk Appetite Statement, as determined by HEINEKEN Global Functions, are communicated to ARMC and the Board to ensure their awareness and oversight. These updates are aligned with the Group’s strategic objectives and operational realities, thereby reinforcing consistency in risk governance across all operating companies. In addition, the Group adopts the Risk Appetite established by HEINEKEN Global Functions in respect of reputational, financial, and business continuity risks, ensuring that these critical areas are managed in accordance with globally defined thresholds and standards.



Reputational

The Group is reliant on the reputation of its brands and the protection of its intellectual property rights. Reputation management is of utmost importance, and the Group has invested considerable efforts in protecting its brands, including the registration of trademarks and domain names. It aims to reduce the risks that could negatively impact its reputation to the furthest extent possible, accepting that this may come at a cost.

Financial

The Group pursues commercial opportunities to deliver superior and balanced growth, accepting uncertainties linked to its strategic choices and the context of the market in which it operates.

Business Continuity

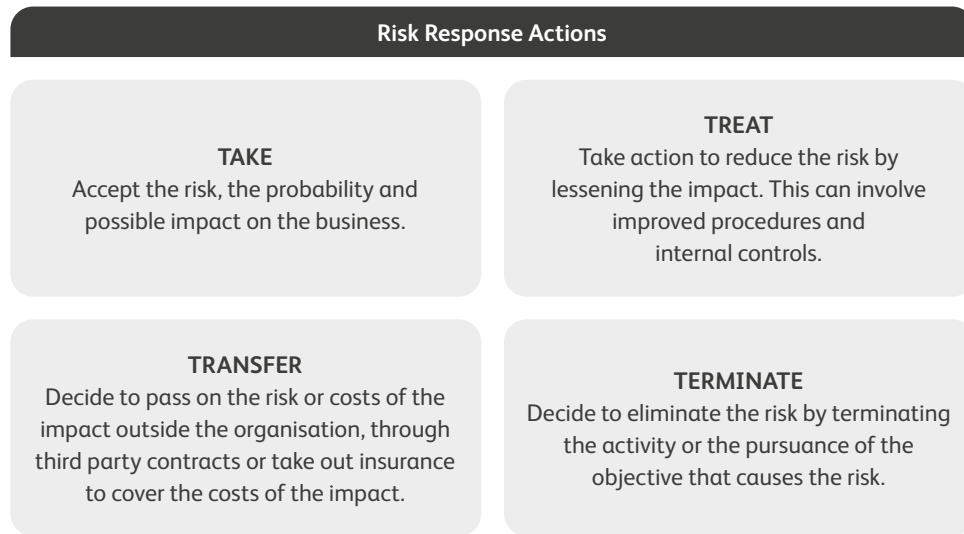
The Group makes the availability of its brands a priority, accepting only minimal disruptions to its operations. In addition, the Group continuously and consciously makes focused investments to future-proof the organisation and ensure business sustainability.

The Group continues to monitor emerging risks, including climate-related impacts, cyber incidents, data governance risks, and supply chain vulnerabilities. These risks are reviewed periodically to ensure strategic alignment and organisational resilience.

The risk profile of the Group is established during the risk assessment sessions with the Management Team. This session is facilitated by the P&CI Team and is fully embedded as a key activity of the RCW. At each assessment session, members of the Management Team are engaged in identifying and reviewing key risk areas within their respective function and are responsible for ensuring the adequacy and effectiveness of mitigating plans to manage the risks identified. The risk landscape as well as the mitigation plans are assessed and categorised based on the level of impact and likelihood as set out in the following Risk Management Matrix adopted by the Group:

IMPACT	RISK MANAGEMENT MATRIX				
Major	Medium	Medium	High	High	Major
Significant	Medium	Medium	Medium	High	High
Moderate	Low	Medium	Medium	Medium	High
Minor	Low	Low	Low	Medium	Medium
Insignificant	Low	Low	Low	Low	Medium
	Nearly Impossible	Unlikely	Possible	Likely	Almost Certain
	Likelihood				

The identified risks will be mapped on a heat map, with mitigation strategies - Take, Treat, Transfer, Terminate applied as appropriate.



INTERNAL CONTROLS

Internal controls are designed in accordance with the COSO Internal Control – Integrated Framework, providing reasonable assurance on financial and non-financial reporting, asset safeguarding, regulatory compliance, and operational effectiveness.

The internal controls are defined in HeiRules which comprise all mandatory standards and procedures including financial reporting, IT and Tax. Annual Control Self-Assessment (CSA) is performed by each function to assess the implementation and execution of the mandatory standards and procedures required under the HeiRules.

The Group has also adopted the HEINEKEN’s Risk and Control Matrix (RACM) compliance programme that focuses on internal controls over financial reporting. The RACM assessment is conducted on key controls surrounding the Group’s financial reporting process based on materiality level; and it focuses on transparency, accountability, and safeguarding of assets.

The P&CI Team coordinates both CSA and RACM assessments on an annual basis. The assessments are performed by competent assessors, and the results are evaluated by qualified reviewers. Control weaknesses identified through CSA and RACM assessments are evaluated against defined risk appetite levels. Material gaps are documented, monitored in the remediation tracker, and reviewed quarterly by the RCW and ARMC. Completed actions are then retested to ensure adequate remediation.

KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The key elements of the Group’s risk management and internal controls system are described below:

Authority and Responsibility

- The Board has an organisational structure with defined lines of accountability and delegated authority to the Board Committees and the Management, ensuring effective discharge of duties. Matters concerning risk management and internal controls are under the purview of the ARMC, chaired by the Senior Independent Director.
- A schedule of key matters is reserved specifically for Board deliberation and decision, and segregation of duties is practised to prevent unintentional or fraudulent transactions.
- Internal policies and procedures, together with delegated authority limits, are documented and stored in a document repository portal. These documents are subject to review and enhancement to reflect evolving risks and operational needs.

Monitoring, Reporting and Performance Measurement

- The Management Team meets bi-weekly to review business performance, principal risks and mitigation actions. The RCW and ARMC meet quarterly to review risk, control and audit matters, with material issues escalated to the Board. The Board receives quarterly updates on strategy, performance, key risks, compliance, and remediation progress. The Board, through the ARMC, relies on ongoing monitoring processes and periodic reviews to evaluate the robustness of these systems. Any deficiencies identified through these mechanisms are formally reported to the ARMC and subsequently to the Board, ensuring that appropriate remedial measures are instituted in a timely manner.

Level	Report	Frequency	Purpose
Management Team	RCW Report	Quarterly	Review key risks and mitigation progress
ARMC	Risk Management and Internal Audit Reports	Quarterly	Evaluate effectiveness and remediation status
Board	SORMIC Assurance Statement	Annual	Confirm adequacy and effectiveness of the Group’s risk management and internal control systems.

- Compliance audits are conducted in line with the ISO 9001:2015 Quality Management System and the Hazard Analysis and Critical Control Point (HACCP) requirements, based on the frequency determined by the Ministry of Health to monitor product safety standards.

- The Group applies the HEINEKEN's Information Security Maturity Assessment (ISMA) framework to evaluate and strengthen the Group's cybersecurity controls.
- The annual planning process includes strategic and operational reviews, budget alignment, and monthly performance monitoring to ensure objectives are met and variances are addressed promptly.
- Regular stakeholder engagement and feedback mechanisms support continuous improvement and alignment with stakeholder expectations.
- The Managing Director and the Finance Director sign-off a bi-annual Letter of Representation to Heineken N.V., affirming management's accountability over financial and non-financial reporting, controls and compliance. For FY2025, the Board and ARMC reviewed the annual assessment results in February 2026, thereby relying on management's attestations and the governance processes in place to ensure the integrity of reporting and compliance throughout the year.

Integrity and Ethical Values

- The HeiCode governs standards of ethics and responsible business conduct covering areas such as health and safety, human rights, anti-bribery, data privacy, and fair competition. Annual conflict of interest declarations are required from all employees, ensuring decisions within the Group are based on sound and objective business judgement, not influenced by any possible personal interests or gain. The HeiCode is available on <https://www.heinekenmalaysia.com/corporate-governance/>
- Business partners are expected to adhere to the HEINEKEN Distributor Code of Conduct and the HEINEKEN Supplier Code, with a due-diligence tool in place to assess and manage third-party risks, including bribery and corruption.
- The HEINEKEN Speak Up Policy provides a confidential, independent channel for employees and stakeholders to report suspected misconduct with oversight by the HEINEKEN Global Integrity Committee. The policy is communicated widely and accessible on the Company's website <https://www.heinekenmalaysia.com/corporate-governance/>
- The Group fosters a culture of integrity, guided by HEINEKEN's Purpose, Dream and Values, embedded in policies, procedures and daily operations.

Employees' Competency and Awareness

- Annual e-learning and training programmes ensure employees understand and comply with the codes and policies, including anti-bribery, responsible marketing, cybersecurity, and competition law. Additionally, annual briefings are conducted for regional sales employees to keep them refreshed at the same time to address any questions on challenges or issues faced during their day-to-day operations.

- Technical, leadership, and compliance training, as well as an integrated learning platform, support continuous professional development.
- Briefings and induction programs are conducted to keep employees informed of legislative changes and the Group's risk management approach.

ESG and Other Sustainability Risks

- The Group's sustainability governance structure comprises the Board, a Sustainability Committee led by the Managing Director and a Sustainability Working Group, ensuring accountability and integration of ESG matters across functions.
- Sustainability risks, including those under the Brew a Better World (BaBW) commitment, are assessed quarterly by the Sustainability Committee, with progress reported bi-monthly to Management and quarterly to the Board.
- ESG disclosures are independently verified for accuracy, in line with the International Financial Reporting Standards (IFRS S1 & S2) Sustainability Disclosure Standards, Global Reporting Initiatives and reviewed against the HEINEKEN Green Claim Policy.

Other Policies

- Major assets are insured and physically safeguarded against any mishap that could result in material losses.
- The Group has adopted the HEINEKEN Crisis Manual and maintains a Contingency and Emergency Preparedness & Response Plan outlining procedures for crisis. The plan covers scenarios such as fire, product contamination, and IT disasters. In FY2025, the Crisis Management Plan was expanded to address climate disasters, cyber incidents, and digital continuity. A Crisis Management Team leads and makes decisions during disruptions to ensure business continuity. A fire simulation was conducted in FY2025 to assess emergency response effectiveness.

The Group recognises the importance of continuous improvement and regular assessments to refine its risk management and internal control systems, ensuring alignment with evolving business environments and regulatory requirements. Nevertheless, whilst these systems are comprehensive, inherent limitations such as human error, management override, or unforeseeable events, cannot be entirely mitigated.

BOARD ASSESSMENT

The Board has conducted an annual assessment of the effectiveness of the Group's risk management and internal control systems for FY2025 and up to the date of approval of this Statement. This assessment is based on the periodic risk management reports from Management, internal audit reviews, and the status of remediation actions. The Board also considered emerging risks as part of its oversight. Based on these processes, and on assurance provided by the Managing Director and the Finance Director via the Letter of Representation, the Board is of the view that the Group's risk management and internal control systems are operating adequately and effectively, covering all material aspects. No significant failings or weaknesses were identified during FY2025, and there were no material financial or non-financial losses reported as a result of internal control deficiencies. The Board remains committed to continuous improvement and will continue to review and strengthen the risk management and internal control environment within the Group.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in the Audit and Assurance Practice Guide (AAPG) 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants (MIA) for inclusion in the Annual Report of the Group for FY2025, and reported to the Board that nothing has come to their attention that causes them to believe that the statement intended to be included in the Annual Report of the Group, in all material respects:

- (a) has not been prepared in accordance with the disclosures required by section 7 of the SORMIC Guide 2025; or
- (b) is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board and Management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problems.

This Statement was approved by the Board on 27 February 2026.