

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0039
COMPANY NAME : GFM SERVICES BERHAD
FINANCIAL YEAR : December 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>As set out in the Board Charter, the Board is responsible to shareholders for the management and performance of the Group, including the following matters:-</p> <ul style="list-style-type: none"> • Evaluating, approving and monitoring the Company's strategic and financial plans for the Group; • Evaluating, approving and monitoring the annual budgets and business plan and evaluating the Group's performance in relation to them; • Evaluating, approving and monitoring the progress of major capital expenditure, capital management, acquisitions, divestitures and all major corporate transactions including the issue and buy-back of any securities of the Company; • Monitoring major litigation; • Approving all financial reports to be published and related stock exchange announcements; • Monitoring other material reporting and external communications by the Company; • Approving the dividend policy and payment of dividends; • Succession planning, evaluation and appointments; • Appointing external auditors (subject to shareholders' approval); and • Considering and reviewing the social, ethical and environmental impact of the Group's activities and determining, monitoring and reviewing standards and policies to guide the Group in this regard.
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

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

Practice 1.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company's Board Charter has specified the roles and responsibilities of the Chairman. The Board Charter is available on the Company's website at www.gfmservices.com.my.</p> <p>The Chairman leads the Board and is responsible for ensuring the integrity and effectiveness of the governance process of the Board, acts as facilitator at the meetings and to ensure that Board proceedings are in compliance with good conduct and best practices.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.3

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 Group Managing Director are distinct and separated and clearly defined in the Company's Board Charter, which is available on the Company's website at www.gfmservices.com.my.</p> <p>The Chairman of the Board, Mr. Zainal Arifin Bin Khalid is responsible for ensuring the integrity and effectiveness of the governance process of the Board, acts as facilitator at the meetings and ensure that Board proceedings are in compliance with good conduct and best practices.</p> <p>The Group Managing Director, Mr. Ruslan Bin Nordin is responsible for the daily management of the Group's operations and implementation of the Board's policies and decisions. He is responsible for communicating matters relating to the Group's business affairs and issues to the Board for its consideration and approval, where required.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	<p>The Board Chairman, Mr. Zainal Arifin Bin Khalid, is not a member of the Audit and Risk Management Committee ("ARMC") or the Nomination and Remuneration Committee ("NRC")</p> <p>However, the Board Chairman was invited to participate in the ARMC Meeting and NRC Meeting as the committees are of the view that the Board Chairman's input and contribution is valuable to the review process.</p> <p>In the meetings he participated as an observer but does not vote or participate in the discussions.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by two (2) qualified Company Secretaries who are Associate Members of MAICSA and are qualified to act under the Companies Act 2016. As practicing company secretaries, they have also attended continuous professional development programmes as required by MAICSA.</p> <p>The Company Secretaries play an advisory role to the Board in relation to the Company's Constitution, the Board's policies and procedures, and compliance with the relevant regulatory requirements, codes or guidance and legislations.</p> <p>The Company Secretaries are suitably qualified, competent and capable of carrying out the duties required and have attended trainings and seminars conducted by relevant regulators to keep abreast with the relevant updates on statutory and regulatory requirements and updates on the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").</p> <p>The Company Secretaries also serves notice to the Directors and Principal Officers to notify them of closed periods for trading in the Company's shares, in accordance with Paragraph 14 of the MMLR of Bursa Securities. Deliberations during the Board and Board Committees' meetings were properly minuted and documented by the Company Secretaries.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.6

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

Application	:	Applied	
Explanation on application of the practice	:	<p>At least seven (7) days prior to each Board meeting, members of the Board will be provided with an agenda and a set of Board papers containing reports and other relevant information detailing various aspects of the Group's operations and performance to enable them to make informed decisions. The Board papers may include financial, strategic and corporate proposals that require the Board's deliberation and approval.</p> <p>The Senior Management, External Auditors and/or Internal Audit Unit ("IAU") of GFM may be invited to attend the Board meetings, if required, to provide additional information on the relevant agenda tabled at the Board meetings.</p> <p>All pertinent issues discussed at the Board meetings in arriving at the decisions and conclusions are properly recorded by the Company Secretary.</p> <p>Besides Board meetings, the Board also exercises control on matters that require its approval through the circulation of resolutions.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board retains full and effective control of the Group. The Board has the primary responsibility for guiding and monitoring the business and affairs of the Group including compliance with the Company's corporate governance objectives. In giving effect to the Board Charter, each Director will at all times act honestly, fairly and diligently in all respects in accordance with the law applicable to the Company. Each Director will at all times act in the interests of shareholders of the Company and of the Company as a whole and will have regard to the interests of employees and customers of the Group and the community and environment in which the Group operates.</p> <p>The salient features of the Board Charter had been uploaded on the Company's website at www.gfmservices.com.my.</p> <p>The Board has delegated specific responsibilities to various Board Committees namely ARMC and NRC whose functions are within their respective terms of reference approved by the Board. The said terms of reference are periodically reviewed by the Board, as and when necessary and the Board appoint the Chairman and members of each Committees. These Committees assist the Board in making informed decisions through in-depth discussions on issues in discharge of the respective Committees' terms of reference and responsibilities. The Chairman of the various Committees will report to the Board the outcome of the Committee meetings which will be recorded in the minutes of the Board meeting. The ultimate responsibility for decision making, however, lies with the Board.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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 Board acknowledges and emphasises the importance for all Directors and employees of the Group to embrace the highest standards of corporate governance practices and ethical standards.</p> <p>In this respect, the Board has formalised a Code of Ethics and Code of Conduct. These codes are aimed to emphasise the Company's commitment to ethics and compliance with applicable laws and regulations.</p> <p>The Code of Ethics and Code of Conduct had been uploaded on the Company's website at www.gfmservices.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>To enhance corporate governance practices across the Group, a Whistle-Blowing Policy was adopted which provides directors, employees, shareholders, vendors or any parties with a business relationship of the Group with an avenue to report suspected wrongdoings that may adversely impact the Group.</p> <p>The aim of this policy is to encourage the reporting of such matters in good faith, with the confidence that the person filing the report, as far as possible, be protected from reprisal, harassment or subsequent discrimination.</p> <p>The details of the Whistle-Blowing Policy are available for reference at the Company's website at www.gfmservices.com.my. For FYE 2025, the Company did not receive any whistleblowing reports.</p> <p>The Board also adopted the Anti-Bribery and Corruption Policy to set out the Group approach in combating bribery and corruption on 15 April 2020, the said policy has been made available on the Company's website.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 oversee the Group's sustainability agenda, practices, strategies and performance supported by the Management. The Management is tasked to integrate sustainability considerations in the day-to-day operations of the Group and ensuring the effective implementation of the Group's sustainability strategies and plans.</p> <p>The Terms of Reference of the ARMC has been revised to provide the explicitly ARMC's responsibilities to renew the Group's sustainability policies, goals and risks periodically.</p> <p>The Sustainability Report of the Group which provides an overview of the sustainability performance for the financial year ended 31 December 2025, is set out on pages 32 to 63 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

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 Company believes in transparency and open lines of communication with all the stakeholders. Transparency and communication are fundamental components of good corporate governance and serve to build vital relationships of trust the Company maintained with its stakeholders.</p> <p>The Company engages its stakeholders through various means of communication to enable them to better understand the Group's business operations and seek their feedback and inputs on several matters relevant to them. The Group identified them through issues which are material based on their impact to the Group’s operation and the number of stakeholders affected.</p> <p>The Company strives to maintain an open and two-way communication with its employees to discuss, among others, the Company’s performance and growth strategies. The Group Managing Director has presented to the shareholders on the Group’s overview, business model, strategy plans and financial review during the Annual General Meeting (“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

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 took note of the importance of the sustainable development. The Company had formed a Management Committee to address the sustainability issues relevant to the Group and its operations business in order to achieve sustainable long-term value.</p> <p>During FYE 2025, GFM established a Sustainability Committee and embedded sustainability as a permanent Board agenda item.</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	:	Assessment for Board is conducted annually and incorporates all aspects of Board responsibilities. Assessment for Senior Management is done during year-end performance review and is based on the relation of the Head of Departments to their relevant sustainability matters.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Adopted
Explanation on adoption of the practice	:	Responsibility to coordinate sustainability matters has been assigned to the Sustainability Officer who reports to the Head of Governance, Risk and Compliance Department. Sustainability matters are tabled to the Sustainability Committee, chaired by Group Managing Director and consist of the Senior Management team.

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 NRC was formed on 16 October 2016 to assist the Board. The NRC had performed Board assessment on annual basis to ensure that the right group of people with appropriate mix of skill was appointed.</p> <p>The NRC conducted an assessment of Directors who are seeking for re-election at the forthcoming 13th AGM and concluded that Ms. Tong Jia Wann, Encik Zainal Arifin Bin Khalid and Dato' Sri Zohari Bin Akob are eligible for re-election. The Board had approved and proposed their re-election at the coming 13th AGM.</p> <p>NRC also evaluated the performance of Mr. Yong Hee Kong against the requirements set out in the Directors' Fit and Proper Policy. Mr. Yong Hee Kong, who is due for retirement by rotation at the AGM and is eligible for re-election, subject to the shareholders' approval at the 13th AGM. However, Mr. Yong Hee Kong has expressed his intention not to seek re-election. Accordingly, he will remain office until the conclusion of the 13th AGM.</p> <p>Mr. Ashok Virendra Shah, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, has informed the Board that he does not wish to seek shareholders' approval to continue serving as an Independent Non-Executive Director of the Company. He will therefore retire from the office at the conclusion of the 13th AGM.</p> <p>The details of the Directors seeking re-election at the 13th AGM including their qualification, working experience, directorship in other public listed company, relationship with any director or major shareholder and conflict of interests with the Company are set out in the Profile of Directors section in the Annual Report 2025.</p> <p>The details of the interest of the Directors in the securities of the Company and their attendance at Board of Directors' Meetings held during the FYE 2025 are also disclosed in 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 5.2

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 principle emphasises the importance of right Board composition in bringing value to the Board deliberation and transparency of policies and procedures in selection and evaluation of Board members.</p> <p>The Board currently has eight (8) members, consisting of one (1) Independent Non-Executive Chairman, four (4) Independent Non-Executive Directors, two (2) Non-Independent Non-Executive Directors and one (1) Executive Director.</p> <p>The Company complies with the criteria of MMLR of Bursa Securities ensuring that at least two (2) Directors or one-third (1/3) of the Board of Directors, whichever is the higher, are independent directors.</p> <p>The profiles of each of the Directors are presented on pages 66 to 73 of the Annual Report 2025.</p> <p>The current composition of the Board is well balanced with the presence of Independent Non-Executive Directors of the necessary calibre to carry sufficient weight in the Board's decision-making process. All Independent Non-Executive Directors are independent of management duties, and they do not have any family relationship with any of the other Board members which could interfere with their exercise of independent judgement during the decision-making process of the Board or the ability to act in the best interest of the Company and its shareholders.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>Considering the recommendation of the Code pertaining to the tenure of an Independent Director exceeding a cumulative term of nine (9) years, the Board holds the view that the ability of an Independent Director to exercise independent judgement is not affected by the length of service. The suitability of an Independent Director to carry out his responsibilities is very much depends on his calibre, experience and personal qualities.</p> <p>Encik Zainal Arifin Bin Khalid ("Encik Zainal Arifin"), Mr. Yong Hee Kong ("Mr. Yong"), and Mr. Ashok Virendra Shah ("Mr. Ashok") have served the Board for more than nine (9) years during the financial year ended 31 December 2025.</p> <p>The Nomination Committee had assessed the independence of Encik Zainal Arifin and recommended to the Board that he be retained as Independent Non-Executive Director of the Company based on his ability to exercise independent judgement and express unbiased views without any influence. Encik Zainal Arifin is familiar with the Group's business operations, has demonstrated strong commitment, and has exercised due care in discharging his duties and responsibilities as an Independent Non-Executive Director. He has fulfilled the criteria for an independent director under the MMLR of Bursa Securities.</p> <p>Based on the above assessment, the Board is satisfied with the level of independence demonstrated by Encik Zainal Arifin. Accordingly, the Company sought shareholders' approval through a two-tier voting process at 13th AGM held on 18 June 2026 to retain him as Independent Director. Encik Zainal Arifin had abstained from all deliberations or voting pertaining to his independence at the Board level.</p> <p>Nevertheless, Mr. Yong and Mr. Ashok have expressed their intention not to seek for re-election. Hence, they will retire upon the conclusion of the 13th AGM.</p>

	Should the tenure of an Independent Director exceeds nine (9) years, shareholders' approval will be sought at an AGM. If the services of the Director concerned are still required, the Director concerned will be redesignated as a Non-Independent Director.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.4 - Step Up

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

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The NRC will recommend to the Board on suitable candidates for appointment as Board members, member of Board Committees and Executive Directors of the Company based on the following evaluation criteria:-</p> <ul style="list-style-type: none">• Skills, knowledge, expertise and experience;• Professionalism;• Time commitment to effectively discharge his role as a director;• Contribution and performance;• Character, integrity and competence;• Boardroom diversity including gender diversity; and• In the case of candidates for the position of Independent Non-Executive Directors, the NRC shall also evaluate the candidates' ability to discharge such responsibilities and functions as are expected from Independent Non-Executive Directors. <p>The NRC will arrange for the induction of any new Directors appointed to the Board to enable them to have a full understanding of the nature of the business, current issues within the Company and corporate strategies as well as the structure and management of the Company.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.6

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	:	The Board is confident that its current size and composition is sufficient and effective in discharging the Board's responsibilities and in meeting the Group's current needs and requirements. The profile of the Board members is set out on pages 66 to 73 of the Annual Report 2025. Potential candidates from external sources such as Institute of Corporate Directors Malaysia and NAM Institute for the Empowerment of Women shall be used for future appointments.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>The details of the Directors seeking re-election at the AGM including their qualification, working experience, directorship in other public listed company, relationship with any director or major shareholder and conflict of interests with the Company are set out in the Profile of Directors section as disclosed in the Annual Report 2025.</p> <p>The details of the interest of the Directors in the securities of the Company and their attendance at Board of Directors' Meetings held during the financial year ended 31 December 2025 are also disclosed in the Annual Report 2025.</p> <p>Based on the assessment of the NRC, the NRC had recommended that Ms. Tong Jia Wann, Encik Zainal Arifin Bin Khalid and Dato' Sri Zohari Bin Akob are eligible for re-appointment, the Board had subsequently approved and resolved the re-appointment of Ms. Tong Jia Wann, Encik Zainal Arifin Bin Khalid and Dato' Sri Zohari Bin Akob as Directors at coming 13th AGM.</p> <p>Ms. Tong Jia Wann, Encik Zainal Arifin Bin Khalid and Dato' Sri Zohari Bin Akob do not have conflict of interest with the Company.</p> <p>NRC also evaluated the performance and requirements set out in the Directors' Fit and Proper Policy by the Directors, namely Mr. Yong Hee Kong and Mr. Ashok Virendra Shah have who are due for retirement by rotation at the AGM and are eligible to stand for re-election, subject to the shareholders' approval at the 13th AGM. However, both retiring Directors have expressed their intention not to seek re-election, and they will remain office until the conclusion of the 13th AGM.</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 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The NRC comprises of four (4) members, majority of whom are Independent Non-Executive Directors. The Chairman of the NRC is Mr. Yong Hee Kong, an Independent Non-Executive Director.	
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>As at the date of issuance of this report, there is one (1) woman Director on Board.</p> <p>The Board acknowledges that a diverse leadership team enhances the depth and quality of discussions, decision-making processes, and overall corporate governance. In line with the principles set out in the Board Charter, the Board takes into account a wide range of diversity attributes, including gender, ethnicity, age, skills, and professional experience, when considering Board appointments.</p> <p>The Nomination Committee continues to review the Board’s composition and remains focused on identifying individuals with the appropriate mix of expertise, experience, and perspectives to support the Company’s strategic direction and governance effectiveness.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 5.10

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company has established a Gender and Diversity Policy which outlines its commitment to supporting diversity at the Board and the entire workforce. While merit remains the key consideration in appointments, the Policy recognises the importance of having a balanced representation in leadership roles.</p> <p>The Policy was adopted by the Board on 9 August 2023 and is available on the Company’s website at www.gfmservices.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

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	: The Board, through the NRC, undertakes the process to assess the effectiveness and performances of each individual Director annually. The assessment is based on each Director’s contribution, roles and duties, personal attributes, attendance record and training activities attended. Assessment criteria also included the elements mentioned in GFM Fit and Proper Policy (adopted by the Board in May 2022). Such criteria include Personal Integrity, as well as Time and Commitment.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has put in place a Remuneration Policy to guide the determination of remuneration for Directors and Key Senior Management. The policy considers various factors including the responsibilities of each role, the complexity of the Company's operations, and the experience and performance of the individuals involved.</p> <p>The aim of the policy is to ensure that the remuneration offered is reasonable and in line with market practices, to support the Company's efforts in attracting and retaining capable individuals to support its business objectives.</p> <p>The policy outlines different approaches for Executive Directors and Senior Management, whose remuneration is more performance-driven, and Non-Executive Directors, who receive fixed fees based on their roles and responsibilities on the Board and Committees.</p> <p>The Remuneration Policy is available on the Company's website at www.gfmservices.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	:		
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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>In general, the remuneration structure for the Executive Director is designed to align rewards with both corporate and the individual performance of the Executive Director. The remuneration package comprises salary and other emoluments, bonus and benefits in kind.</p> <p>The remuneration of Independent Non-Executive Directors reflects their experience and the level of responsibilities they undertake. Currently the Non-Executive Directors are paid with Director's fees and attendance allowances for Board/general meetings they attended.</p> <p>The Company's remuneration policy for Directors is formulated to attract and retain competent individuals. The structure takes into account the Directors' experience, expertise and level of responsibility.</p> <p>The NRC is entrusted with the responsibilities to make recommendations on the remuneration package for the Executive Director to the Board. It is the ultimate responsibility of the entire Board to approve the remuneration. The remuneration of Non-Executive Directors is determined by the Board collectively, with the Director concerned abstaining from deliberations and voting on decisions in respect of his own remuneration.</p> <p>The Terms of Reference of the TC is available on the Company's website at www.gfmservices.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

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	:	Remuneration of directors for financial year ended 31 December 2025 are disclosed on a named basis together with the remuneration breakdown on the overleaf page.

No	Name	Directorate	Company							Group						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Ruslan Bin Nordin	Executive Director	0	10,500	500,693	0	0	0	511,193	0	10,500	1,144,345	0	0	0	1,154,845
2	Mohammad Shahrizal Bin Mohammad Idris	Non-Executive Non-Independent Director	72,000	21,377	0	0	0	0	93,377	168,000	21,377	818,652	0	0	0	1,008,029
3	Zainal Bin Amir	Non-Executive Non-Independent Director	72,000	18,000	0	0	0	0	90,000	168,000	18,000	0	0	0	0	186,000
4	Zainal Arifin Bin Khalid	Independent Director	84,000	17,500	0	0	0	0	101,500	84,000	17,500	0	0	0	0	101,500
5	Yong Hee Kong	Independent Director	72,000	30,500	0	0	0	0	102,500	72,000	30,500	0	0	0	0	102,500
6	Ashok Virendra Shah	Independent Director	72,000	30,500	0	0	0	0	102,500	72,000	30,500	0	0	0	0	102,500
7	Tong Jia Wann	Independent Director	72,000	18,000	0	0	0	0	90,000	72,000	18,000	0	0	0	0	90,000
8	Dato' Sri Zohari Bin Akob (Appointed on 25 February 2026)	Independent Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	-	Choose an item.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	-	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 8.2

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 details of Senior Management's remuneration are disclosed in bands width of RM50,000 on position basis, as the Board considers the information of the said remuneration to be sensitive and proprietary in view of the competitive nature of the human resource market and to support the Company's efforts in retaining executive talents. The Board is of the view that the transparency and accountability aspects of corporate governance as applicable to Senior Management's remuneration are appropriately served by the disclosures on an aggregate basis.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:	Choose an item.	

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	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 comprises of five (5) Non-Executive Directors, majority of whom are Independent Directors, including the ARMC Chairman.</p> <p>Both the ARMC Chairman and BOD Chairman are not the same person.</p> <p>The Chairman of the ARMC, Mr. Ashok Virendra Shah is a member of Chartered Accountants of India, member of the Malaysian Institute of Accountants (MIA), and fellow member of Singapore Society of Accountants.</p> <p>Whereas the Board Chairman, Mr. Zainal Arifin Bin Khalid who holds a Master of Science Degree in University of Kentucky, United States as well as a Bachelor of Arts Degree in California State University Chico, United States.</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>As a measure to safeguard the independence and objectivity of the audit process, the ARMC has adopted a policy that governs the appointment of a former key audit partner to the ARMC.</p> <p>The policy, which is codified in the ARMC’s Terms of Reference, requires a former key audit partner to observe a cooling-off period of at least three (3) years before he/she can be considered for appointment as a Committee member.</p> <p>To-date, the Company has not appointed a former audit partner to be 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 ARMC had adopted the policies and procedures to assess the suitability, objectivity and independence of the external auditor, and the checklist had uploaded to the Company's website at www.gfmservices.com.my.</p> <p>As part of the annual assessment process, the ARMC obtained written assurance from the External Auditors confirming their independence throughout the audit engagement, in accordance with all relevant professional and regulatory requirements.</p> <p>Based on the assessment and recommendation by the ARMC, the Board was satisfied with the suitability, objectivity, and independence of the External Auditors, and has recommended their re-appointment for shareholders' approval at the forthcoming Annual General Meeting.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Not Adopted
Explanation on adoption of the practice	:	The Board considers the current composition of ARMC as fairly reflecting an appropriate balance of independent views.

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 ARMC comprises of five (5) members, majority of whom are Independent Directors. The composition of the ARMC, including its roles and responsibilities are set out on pages 96 and 98 of the Annual Report 2025.</p> <p>The ARMC assist the Board in overseeing the Group's financial reporting processes and the quality of its financial reporting. One of the key responsibilities of the ARMC is to ensure that the financial statements of the Group and Company comply with applicable financial reporting standards in Malaysia. Such financial statements comprise the quarterly financial report announced to Bursa Securities and the annual statutory financial statements.</p> <p>During the FYE 2025, the External Auditors also briefed the Board members on any changes to the Malaysian Financial Reporting Standards that affect the Group's financial statement.</p> <p>Talks, seminars and training programmes attended by Directors during the FYE 2025 are as follows:-</p> <table border="1"><thead><tr><th>Name of Directors</th><th>Date</th><th>Seminar / Training Course Title</th></tr></thead><tbody><tr><td rowspan="2">Ruslan Bin Nordin</td><td>28 to 30 October 2025</td><td>International Construction Week – BuildXPO 2025</td></tr><tr><td>3 November 2025</td><td>My ASEAN Roads & Traffic Tech Expo (MyARTTE)</td></tr><tr><td rowspan="2">Mohammad Shahrizal Bin Mohammad Idris</td><td>16 May 2025</td><td>Current Trends and Challenges in Managing Built Environment - A Perspective from Supply and Demand Organisation organised by JKR CREaTE, Kuala Lumpur</td></tr><tr><td>27 May 2025</td><td>Engineering your future: Facility Management Career in a Changing World organized by Universiti Tun Hussein Onn, Johor</td></tr></tbody></table>	Name of Directors	Date	Seminar / Training Course Title	Ruslan Bin Nordin	28 to 30 October 2025	International Construction Week – BuildXPO 2025	3 November 2025	My ASEAN Roads & Traffic Tech Expo (MyARTTE)	Mohammad Shahrizal Bin Mohammad Idris	16 May 2025	Current Trends and Challenges in Managing Built Environment - A Perspective from Supply and Demand Organisation organised by JKR CREaTE, Kuala Lumpur	27 May 2025	Engineering your future: Facility Management Career in a Changing World organized by Universiti Tun Hussein Onn, Johor
Name of Directors	Date	Seminar / Training Course Title													
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	27 May 2025	Engineering your future: Facility Management Career in a Changing World organized by Universiti Tun Hussein Onn, Johor													

		20 August 2025	Konvensyen Kontraktor 3.0: Mencipta Peluang Mendorong Pertumbuhan Industri Pembinaan organized by Construction Industry Development Board Malaysia
		27 September 2025	Malaysian Technical Cooperation Program Advancing Construction Excellence: Modern Project Management and Governance for Sustainable Growth organized by Construction Industry Development Board Malaysia
		8 October 2025	Driving Board Excellence Through Governance, Risk and Strategic Leadership organized by CIDB Holdings Sdn Bhd
	Zainal Ariffin Bin Khalid	21 February 2025	University of Michigan Webinar - Driving Sustainable Transformation and Innovation for Long Term Success
		5 March 2025	University of Michigan Webinar – Leading Through Uncertainty: Essential Skills, Strategies, and Pitfalls to Avoid
		16 April 2025	University of Michigan Webinar – Strengthening Teams During Uncertainty: Resilient Leadership Strategies
		8 to 11 September 2025	AI Masterclass by XP
		23 October 2025	McKinsey Webcasts - Driving Success in Digital Transformation: Adopt an Athlete’s Mindset
	Ashok Virendra Shah	25 November 2025	Audit Oversight Board’s conversation with Audit Committee
	Yong Hee Kong	21 January 2025	The 2025 Malaysia economic and strategic outlook forum
		25 February 2025	The 2025 ASEAN banking and finance summit
		25 February 2025	Islam and Confucian: a civilisational dialogue
		7 April 2025	Cosmopolitanism and collaboration across civilisation in Indian Ocean
		30 May 2025	4th world digital economy and technology summit 2025
		24 June 2025	Malaysia economic forum 2025
		2 July 2025	Syarahana idea MADANI Siri 3
		2 September 2025	International seminar on ASEAN futures: navigating regionalism, reconciliation and rapprochement
		9 September 2025	ASEAN CFO and financial leader summit 2025
		30 October 2025	2025 World green and sustainability summit
		10 December 2025	Syarahana idea MADANI Siri 8
	15 December 2025	Global AI, Digital & Green Economy Summit 2025	
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 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 overall responsibility of maintaining a system of internal controls and risk management which provides reasonable assurance of effective and efficient operations, as well as compliance with laws and regulations and internal policies and procedures.</p> <p>To ensure the independence of the internal audit function, the annual Audit Plan and scope of review are reviewed and approved by the ARMC.</p> <p>GFM acknowledges that in order to further enhance the independence of Internal Audit Unit, Encik Azly, who is independent from the Senior Manager of Group Risk and Compliance Department, has been appointed as the Head of Group Risk and Compliance Department. Both Risk Management and Internal Audit functions report directly to GFM's 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

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>Risk Management is regarded by the Board as an integral part of the system of internal control and is a good management practice that strengthens the business planning processes. The Group has established an ongoing and systematic risk management process to identify, evaluate and manage the significant risks and to ensure that appropriate risk treatments are in place to mitigate those risks that may affect the achievement of the Group's business objectives. This process is carried out across all major subsidiaries, as well as at the Group level.</p> <p>The Board regularly reviews internal control issues identified by internal auditors, management and evaluates the adequacy and effectiveness of the Group's risk management and internal control systems. The Group's key elements of internal control are as follows:-</p> <ol style="list-style-type: none">1. Clearly defined delegation of responsibilities to management and operating units, including authorisation levels for key aspects of the business.2. Well documented internal policies, guidelines, procedures and manual, which are updated from time to time.3. Regular meetings are held at operational and management to identify and resolve business, financial, operational and management issues and address weakness and improve efficiency.4. Engagement of solicitors, financial advisors and relevant professional services as may be required in respect of any corporate exercise undertaken by the Group.5. Financial results are reviewed on a quarterly basis by the Board and ARMC.6. Informal Board and management meetings at operational level are held during the financial year to assess performance and controls.
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

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

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

Practice 10.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	While the Board did not establish a separate Risk Management Committee, the risk oversight function has been integrated into the ARMC. Majority of the ARMC are Independent Directors.

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 Group's internal audit function is carried out by the Internal Audit Unit ("IAU") which reports to the ARMC during the quarterly meetings and as and when required by the Committee.</p> <p>Through IAU's reports the ARMC is able to:-</p> <ul style="list-style-type: none"> • assess the adequacy of scope, functions and resources of the firm of IAU (that was engaged to undertake the internal audit function) and that it has the necessary authority to carry out its work; • review the internal audit program and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function; • evaluate the major findings of internal audit investigations and management's response, and ensure that appropriate actions are taken on the recommendations of the internal audit function; • review any appraisal or assessment of the performance of members of the internal audit function; and • review and approve any appointment or termination of senior staff members of the internal audit function. 	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>Mr. Azly Bin Ahmad Anwar (“Mr. Azly”) is responsible for GFM's IAU. He reports directly to the ARMC.</p> <p>Mr. Azly completed his degrees in Law and Accounting & Financial Management. His employment background includes over a 10 year stint with the Supervision and Internal Audit Departments at the Securities Commission, Nestle (M) Bhd and QSR Brands Sdn. Bhd.</p> <p>The Board has mandated the ARMC with the overall responsibility of ensuring adequacy, completeness and effectiveness of the internal control system and risk management. The ARMC undertakes periodic reviews and monitors the compliance to these systems via the internal audit function who carries out audit checks on such control processes and provides feedback on its effectiveness and compliance at the operating level. Any weaknesses or variances reported by the IAU to the ARMC will be turned into management actions to rectify any weaknesses in those control processes.</p> <p>The IAU is free from any relationships or conflicts of interest, which could impair their objectivity and independence. The IAU who reports directly to the ARMC are given full access to all the documents relating to the Company’s and Group’s governance, financial statements and operational assessments.</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	:		
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Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company aims to ensure that the shareholders and investors are kept informed of all major corporate developments, financial performance and other relevant information through the timely dissemination of announcements to Bursa Securities. This approach aligns with Bursa Securities' objectives of promoting transparency and good corporate governance practices, through dialogue with analysts and the media.</p> <p>The Annual Report and the quarterly announcements are the primary channels of communications for reporting the Group's business activities and financial performance to shareholders.</p> <p>The Company also maintains an effective communication between the Board, shareholders and the general public through the timely disclosure of material information. Minority shareholders may communicate with the Company via its Company's website.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.2

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

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
Explanation for departure	:		
<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 Board recognises the AGM as an important platform for shareholders to engage with both the Board and Management in a constructive and productive dialogue. It also serves as a channel for shareholders to provide feedback on the Group’s overall performance.</p> <p>To facilitate informed decision-making, the Board endeavours to provide shareholders with sufficient time to review and consider the proposed resolutions. In this regard, the notice of the forthcoming 13th AGM will be issued at least 28 days prior to the meeting.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board acknowledges its responsibility to engage with shareholders and to provide constructive and transparent responses to their queries during General Meetings.</p> <p>All Directors will be present at the Company's 13th AGM, allowing for more comprehensive communication between the Board and shareholders.</p> <p>Additionally, the Chairmen of the ARMC, NRC together with key members of Senior Management, will also be in attendance to provide meaningful explanations and responses to any questions directed to them.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Company's 12th AGM of the Company was held physically at The Majestic Hotel, 5, Jalan Sultan Hishamuddin, Tasik Perdana, 50000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur. The Board opted for a physical meeting to enable more effective two-way communication and direct engagement with shareholders.</p> <p>Adequate notice of the meeting was provided to all shareholders. Shareholders who were unable to attend were able to appoint proxies to attend, participate, speak, and vote on their behalf at the AGM.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	Choose an item.

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	: The AGM serves as a key platform for engagement between the Board, Senior Management, and shareholders. The Board ensures that shareholders are given ample opportunity to participate actively in the meeting. Comprehensive information on the resolutions to be tabled is provided through explanatory notes accompanying the notice of AGM and/or in the Annual Report. During the AGM, a dedicated Question and Answer session is conducted, allowing shareholders to raise questions on the Company's financial performance, future outlook, strategies, and the resolutions tabled. All questions raised are addressed meaningfully by the Board and Senior Management to ensure transparency and constructive dialogue.
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	:	Applied
Explanation on application of the practice	:	The Summary of Proceedings and Key Matters discussed during the 12th AGM was uploaded on the Company's website within 30 days after 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	:	The Company will upload the minutes of coming 12th AGM no later than 30 business days after the AGM on its website.
Timeframe	:	

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

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

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