

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 0191  
**COMPANY NAME** : CABNET HOLDINGS BERHAD  
**FINANCIAL YEAR** : February 28, 2026

## 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 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.*

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

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors ("Board") of Cabnet Holdings Berhad ("CABNET" or "the Company") assumes ultimate accountability and responsibility for the stewardship of the Company and its subsidiaries (collectively referred to as the "Group") and provides leadership within a framework of prudent and effective controls which enables risk to be appropriately assessed and managed. The powers and duties of the Directors are as set out in the Constitution of the Company and as prescribed under Subdivision 3 of Division 2 of the Companies Act 2016 ("the Act") including those expounded under Guidance 1.1 of the Malaysian Code on Corporate Governance 2021 ("MCCG").</p> <p>The Board and its Directors are also guided by the Guidelines on Conduct of Directors of Listed Corporation and their Subsidiaries issued by the Securities Commission Malaysia on 30 July 2020 and revised on 12 April 2021.</p> <p>The Board's responsibilities in respect of the stewardship of the Group include providing strategic leadership and business direction, development and control of the Group, management oversight, initiatives to embrace the responsibilities listed in the MCCG as well as integration of sustainability consideration in the Group's corporate strategy, governance and decision-making in order to achieve the Group's long-term objectives, enhance shareholders' value and safeguard the interests of stakeholders.</p> <p>The Chief Executive Officer ("CEO") has the executive responsibility for the day-to-day operations of the Group's business and is responsible to implement the policies, strategies and decisions adopted by the Board. The CEO is further assisted by the Executive Directors ("EDs") and Senior Executives of the Group to ensure proper focus and accountability. The Independent Non-Executive Directors ("INEDs") ensure corporate accountability by providing unbiased and independent views, advice and judgement and challenging the management's assumptions and</p>

	<p>projections in safeguarding the interests of the shareholders and other stakeholders.</p> <p>The Board is also assisted by several Board Committees, namely Audit and Risk Management Committee (“ARMC”), Nomination Committee (“NC”) and Remuneration Committee (“RC”) to assist in the execution of Board functions. The ARMC and Board are further assisted by the Risk Management Committee (a Management level Committee) playing a pivotal oversight function as delegated by the Board. These Committees ensure greater focus, objectivity and independence in the deliberation of specific board agenda. All committees have written Terms Of Reference (“TOR) which is made available for reference at the Company’s website at <a href="http://www.cabnet.asia">www.cabnet.asia</a>.</p> <p>These committees were established in order to enhance business and operational efficiency as well as effectiveness. The respective Chairman of these Board Committees would report to the Board during the Board meetings on significant and salient matters deliberated by the Board Committees.</p> <p>Although the Board may delegate powers and responsibilities to these committees, the Board retains ultimate accountability for discharging its duties.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b></p>	<p>:</p>
<p><b>Timeframe</b></p>	<p>:</p>

## Intended Outcome

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

### Practice 1.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Dato' Jeffrey Lai Jiun Jye, is the Executive Chairman of the Board. His profile can be viewed on the Company's 2026 Annual Report. He provides leadership to the Board and ensures the Board carries out its responsibilities effectively.</p> <p>The detailed roles and responsibilities of the Chairman of the Board are clearly specified in the Board Charter, which is made available on the Company's website at <a href="http://www.cabnet.asia">www.cabnet.asia</a>.</p> <p>The Chairman, in consultation with the Executive Board and the Company Secretary, sets the agenda for Board meetings and ensures that all relevant issues are on the agenda and providing the information to Directors on timely basis.</p> <p>The Chairman is responsible for managing the business of the Board to ensure that:</p> <ul style="list-style-type: none"> <li>a) all Directors are properly briefed on issues arising at Board meetings;</li> <li>b) sufficient time is allowed for the discussion of complex or contentious issues and, where appropriate, arranging for informal meetings beforehand to enable thorough preparation for the Board discussions; and</li> <li>c) the issues discussed are forward looking and concentrate on strategy.</li> </ul>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

### Practice 1.3

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Board acknowledges the recommendation under the MCCG that the positions of Chairman and CEO should be held by different individuals to promote accountability and facilitate an appropriate balance of power and authority.</p> <p>At present, the roles of Chairman and CEO are held by the same individual due to interim measure and the need to ensure continuity in leadership and execution of the Group's strategic plans.</p> <p>To mitigate concentration of authority, adequate checks and balances are in place. Accordingly, the Board is satisfied that the current structure does not impair objective decision-making and remains beneficial to the Company and its stakeholders. The Board will continue to review the appropriateness of the arrangement and going forward a new Chairman will be appointed as and when a suitable candidate has been identified.</p>
		<p>To mitigate concentration of authority, adequate checks and balances are in place, including:</p> <ul style="list-style-type: none"> <li>• all major decisions are deliberated collectively by the Board;</li> <li>• active oversight by the ARMC and other Board Committees, and all Board Committees are chaired by INEDs;</li> <li>• clear segregation of responsibilities amongst Executive Management and the Board; and</li> <li>• supported by a designated Senior Independent Non-Executive Director.</li> </ul> <p>The Board Committees operate under clearly defined TOR and independently review matters within their respective mandates.</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.

<b>Timeframe</b>	:	Choose an item.	
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### Intended Outcome

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

### Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: CABNET is in compliance with Practice 1.4 of the MCCG whereby the Chairman of the Board, Dato' Jeffrey Lai Jiun Jye is not a member of the ARMC, NC and RC of CABNET.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

## Intended Outcome

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

### Practice 1.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is supported by three (3) External Company Secretaries. They all are qualified to act as Company Secretary under Section 235 and Section 241 of the Act, one of which is a Fellow Member and the other two are Associate Member of the Malaysian Institute of Chartered Secretaries &amp; Administrators.</p> <p>The Company Secretaries provide the required support to the Board in carrying out its duties and stewardship role, providing the necessary advisory role with regards to the Company's constitution, Board's policies and procedures as well as compliance with all regulatory requirements, codes, guidance and legislations.</p> <p>All Directors also have full and unrestricted access to the advice and services of the Company Secretaries. The Board is regularly updated on new guidelines, directives and new regulatory issues affecting the Group by the Company Secretaries as well as external consultants. The Company Secretaries together with the ED assist the Chairman of the Board and Chairman of Board Committees to deal with the Board agenda and to provide the relevant information and documents to Directors on a timely basis. The Board is satisfied with the support and performance rendered by the Company Secretaries in assisting the Board to discharge its duties.</p> <p>The Company Secretaries attended all Board and Board Committees meetings and ensure the meetings are properly convened, deliberations and decisions made by the Board are accurately recorded and kept. The Company Secretaries attended relevant development and training programmes to enhance their abilities in discharging their duties and responsibilities.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

### Intended Outcome

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

### Practice 1.6

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises that the timeliness and quality of the information supplied affect the effectiveness of the Board to oversee the conduct of the business and to evaluate the management performance of the Group.</p> <p>To facilitate this, a corporate calendar of all scheduled meetings and planned events for the forthcoming financial year is typically furnished to all the Directors and the management by the Company Secretaries before the start of the financial year, to assist the Directors in scheduling and meeting their time commitments.</p> <p>In reviewing and analysing the quarterly interim financial results, the Board was provided with relevant supporting information and data on operational, financial and corporate issues as well as minutes of meetings of the various Board Committees prior to the meetings to enable Directors to obtain further explanations and/or clarifications, if necessary, in order to ensure the effectiveness of the meetings. This information was circulated to the Board members at least seven (7) days prior to the Board meetings so as to provide the Directors with relevant and timely information to enable them to deliberate issues raised during Board meetings more effectively whilst highly sensitive corporate proposals are circulated during the meeting. Additionally, the management was also invited to brief and provide additional information or clarification in meetings of the Board and Board Committees.</p> <p>The deliberations and decisions at Board and Board Committee meetings are well documented in the minutes, including matters where Directors abstained from voting or deliberation. The Company Secretaries will circulate the draft minutes of meetings for the Board and Board Committee's review in a timely manner.</p>
<b>Explanation for departure</b>	:	

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

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

## Intended Outcome

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

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

### Practice 2.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board continuously upholds Corporate Governance (“CG”) standards and values in the organisation and strives to lead by example in strengthening its competitiveness and instil investor confidence in the Group. In discharging its duties and responsibilities, the applicable CG practices and guidance are embedded in the TOR of the respective Board Committees, the Company’s Policies and the Board Charter which clearly delineate relevant matters including those reserved for the Board’s approval, and those delegated to the Board Committees, the EDs and the senior management.</p> <p>The roles and responsibilities of the Board, Chairman of the Board, EDs, the individual Board members, the Board Committees, namely ARMC, NC and RC, are set out in the Board Charter.</p> <p>The Board Charter as well as the following Policies and TOR of the Board Committees are made available on the Company’s website at <a href="http://www.cabnet.asia">www.cabnet.asia</a> as follows:</p> <ul style="list-style-type: none"><li>• Board Corporate and Cybersecurity Disclosure Policy</li><li>• Board’s Procedures for Appointment of Directors</li><li>• Code of Conduct and Business Ethics Policy</li><li>• Policy on Related Party Transaction and Recurrent Related Party Transaction</li><li>• Continuing Education Policy</li><li>• Dividend Policy</li><li>• Diversity Policy</li><li>• Remuneration Policy</li><li>• Stakeholders Communication Policy</li><li>• Whistle Blowing Policy</li><li>• Fit and Proper Person Policy</li><li>• Sustainability Policy</li></ul> <p><u>Terms of Reference</u></p> <ul style="list-style-type: none"><li>• Audit and Risk Management Committee</li></ul>

- Nomination Committee
- Remuneration Committee

The Board meets at least once every quarter and on other occasions, as and when the need arises, to inter-alia review and approve quarterly financial results, statutory financial statements, the annual report, business ventures as well as to review the performance of the Company and its operating subsidiaries, governance matters and other business development matters.

The EDs are engaged full time in the management and operations while the Non-Executive Directors attend Board Meetings and Committee Meetings as and when required as dictated by circumstances. All Directors commit and devote their time to make themselves available to attend to any matters arising which requires their attention individually or collectively.

The Board had assumed the following specific duties including but not limited to those expounded under Guidance 1.1 of the MCCG:

- a) Reviewing and adopting the strategic plan of the Company;
- b) Overseeing and evaluating the conduct of the Company's business;
- c) Together with Senior Management, promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;
- d) Identifying principal risks and ensure that the risks are properly managed;
- e) Set the risk appetite within which the Board expects Management to operate, and ensure that there is an appropriate risk management framework;
- f) Establishing a succession planning;
- g) Approve the nomination, selection, succession policies, and remuneration packages for the Board members, Board Committee members including managing succession planning, appointing, training, fixing the compensation of, and where appropriate replacing senior management or key management personnel;
- h) Developing and implementing an investors relations programme or stakeholders communication policy;
- i) Reviewing the adequacy and integrity of the Company's internal control systems and management information systems including compliance with applicable laws and regulations
- j) Review and approve the Financial Statements encompassing annual audited accounts and quarterly reports, credit facilities from financial institutions and guarantees;
- k) To understand financial statements and form a view on the information presented and ensure integrity of the Company's financial and non-financial reporting;
- l) Prepare a Corporate Governance Statement/Report in compliance with the MCCG for the Annual Report; and

	m) Carry out or perform such other functions necessary for the discharge of its fiduciary duties under the relevant laws, rules and regulations.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 3.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has adopted a Code of Conduct and Business Ethics Policy ("the Code") which sets out the standards of ethical behaviour and values expected of Directors and employees and serves as a guide and reference in the course of the performance of their responsibilities.</p> <p>On 30 June 2023, the Board had adopted the Conflict of Interest Policy and incorporated it into the Code.</p> <p>The Board aims to ensure that all Directors and any other employees act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.</p> <p>The Board has implemented appropriate processes and systems to support, promote and ensure its compliance.</p> <p>The Code of Conduct and Business Ethics Policy is available for reference on the Company's website at <a href="http://www.cabnet.asia">www.cabnet.asia</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 3.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has adopted a Whistle-Blowing Policy (“WBP”) which sets out the disclosure procedures and protection for whistle blowers to meet the Group’s ethical obligations. Employees and stakeholders are encouraged to raise any serious concerns they have on any suspected misconduct or malpractices without fear of victimisation in a responsible manner rather than avoiding or overlooking such matters.</p> <p>The Board has also adopted the Code to enhance the standards of Corporate Governance and Behaviour as a guide for the Directors and employees from the Executive level upwards.</p> <p>All employees, customers, suppliers and any third parties having any dealings with the Group (collectively referred to as “Stakeholders”) are encouraged to raise genuine concerns and/or wrongdoings within the Group in matters of financial reporting, compliance and other malpractices at the earliest opportunity and through the prescribed channels, without the fear of harassment, victimisation or discrimination.</p> <p>The WBP is made available on the Company’s website at <a href="http://www.cabnet.asia">www.cabnet.asia</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

### Practice 4.1

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

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has primary responsibility for ensuring that the Group commits to and practices the highest standard of CG, which is inculcated and embedded into the Group's organisational culture.</p> <p>The Board is also responsible for ensuring the continuing success of the Group. The Board shall provide strategic leadership and business direction, management oversight as well as integration of sustainability consideration in the Group's corporate strategy, governance and decision-making, in order to achieve the Group's long-term objectives, add to shareholders' value and safeguard the interests of stakeholders.</p> <p>The Board together with Management, takes responsibility for the Group's governance of sustainability, including setting the Group's sustainability strategies, priorities and targets and ensure that the current standing and the response of the sustainability matters of the Group remains relevant taking into consideration of sustainability risk including climate-related risks and opportunities.</p> <p>Accordingly, the Board had adopted a Sustainability Policy. The objective of the Sustainability Policy is to recognise sustainability as an integral component of the Company's corporate values. The Company is committed to improving the social, environmental and economic impact for all stakeholders including the Group's employees and the communities in which the Group operates, while addressing relevant environmental, social and governance issues in a responsible and sustainable manner.</p> <p>The objectives of the Sustainability Policy aim to:</p> <ul style="list-style-type: none"><li>• integrate a philosophy of sustainable development into all of Cabnet Group's activities, in order to contribute to a better society;</li><li>• establish and promote sound environmental practices and minimise harm; and</li></ul>

	<ul style="list-style-type: none"> <li>• deliver sustainable development throughout our operations.</li> </ul> <p>The Sustainability Policy is made available on the Company’s website at <a href="http://www.cabnet.asia">www.cabnet.asia</a>.</p> <p>To this end, the Policy serves to facilitate Cabnet Group’s commitment to conduct its business responsibly through the integration of Economic, Environmental, Social and Governance considerations. Cabnet Group shall take all possible steps:</p> <ul style="list-style-type: none"> <li>• to ensure that the Group’s activities create long term value for all its stakeholders via sustainable development practices;</li> <li>• to execute the Group’s strategy in a manner that addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success; and</li> <li>• ensure that the Enhanced Sustainability Disclosure required in line with the amendments to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“AMLR”) on 26 September 2022 in relation to Enhanced Sustainability Reporting Framework will be addressed and met.</li> </ul> <p>The Board had also established the Sustainability and Risk Management Working Committee (“SRMWC”), a management level committee with its own TOR on 28 April 2025. The SRMWC, currently led by Mr Koh Thain Lin and further assisted by the EDs, subsidiary directors and head of departments to assist the Board in overseeing the formulation, implementation and effective management of CABNET’s sustainability strategies.</p> <p>The SRMWC reports to the ARMC before matters are escalated to the Board.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

## Intended Outcome

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

## Practice 4.2

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

<b>Application</b>	: Applied																		
<b>Explanation on application of the practice</b>	<p>The Board endorses the Sustainability Statement each year prior to publication of the Annual Report. The Sustainability Statement comprises the Group's sustainability strategies, priorities and targets, and performance are communicated to the internal and external stakeholders as follows:</p> <table border="1"> <thead> <tr> <th>Major stakeholders</th> <th>Communication Channels</th> <th>Engagement Objective(s)</th> </tr> </thead> <tbody> <tr> <td>Shareholders</td> <td> <ul style="list-style-type: none"> <li>Annual Report</li> <li>General Meetings</li> <li>Bursa announcements</li> <li>Company website</li> </ul> </td> <td>To provide timely and accurate information for shareholders making informed decisions.</td> </tr> <tr> <td>Employees</td> <td> <ul style="list-style-type: none"> <li>HR engagement meetings</li> <li>Annual performance review</li> <li>Corporate activities</li> </ul> </td> <td>To ensure a safe and satisfaction working environment for employee.</td> </tr> <tr> <td>Customers</td> <td> <ul style="list-style-type: none"> <li>Customer satisfaction survey</li> <li>Regular updates and meetings</li> </ul> </td> <td>To ensure customer satisfactory and deliver value added solutions that meet customers' needs.</td> </tr> <tr> <td>Suppliers</td> <td> <ul style="list-style-type: none"> <li>Business reviews</li> <li>Purchasing policies and procedures</li> <li>Meetings</li> </ul> </td> <td>To ensure a sustainable supply of quality services and materials that meet market demand.</td> </tr> <tr> <td>Government and local authorities</td> <td> <ul style="list-style-type: none"> <li>Seminars, workshops and training sessions</li> <li>Audit and inspections</li> <li>Regulatory requirements reporting</li> </ul> </td> <td>To ensure compliance with the relevant laws and regulations and promote accountability.</td> </tr> </tbody> </table> <p>The Board has delegated the driving of the Group's sustainability governance to the SRMWC, which is a sub-committee of the ARMC. The SRMWC will provides the ARMC with periodic updates based on the sustainability and risk assessment conducted together with recommendations on matters for improvement. In the event of material matters, the ARMC will then instruct the SRMWC to escalate such matters to the Board.</p> <p>In discharging its responsibilities, the SRMWC shall ensures that the Group's strategies, priorities and targets on sustainability is communicated via the CEO, EDs and heads of department to the employees in their respective departments.</p>	Major stakeholders	Communication Channels	Engagement Objective(s)	Shareholders	<ul style="list-style-type: none"> <li>Annual Report</li> <li>General Meetings</li> <li>Bursa announcements</li> <li>Company website</li> </ul>	To provide timely and accurate information for shareholders making informed decisions.	Employees	<ul style="list-style-type: none"> <li>HR engagement meetings</li> <li>Annual performance review</li> <li>Corporate activities</li> </ul>	To ensure a safe and satisfaction working environment for employee.	Customers	<ul style="list-style-type: none"> <li>Customer satisfaction survey</li> <li>Regular updates and meetings</li> </ul>	To ensure customer satisfactory and deliver value added solutions that meet customers' needs.	Suppliers	<ul style="list-style-type: none"> <li>Business reviews</li> <li>Purchasing policies and procedures</li> <li>Meetings</li> </ul>	To ensure a sustainable supply of quality services and materials that meet market demand.	Government and local authorities	<ul style="list-style-type: none"> <li>Seminars, workshops and training sessions</li> <li>Audit and inspections</li> <li>Regulatory requirements reporting</li> </ul>	To ensure compliance with the relevant laws and regulations and promote accountability.
Major stakeholders	Communication Channels	Engagement Objective(s)																	
Shareholders	<ul style="list-style-type: none"> <li>Annual Report</li> <li>General Meetings</li> <li>Bursa announcements</li> <li>Company website</li> </ul>	To provide timely and accurate information for shareholders making informed decisions.																	
Employees	<ul style="list-style-type: none"> <li>HR engagement meetings</li> <li>Annual performance review</li> <li>Corporate activities</li> </ul>	To ensure a safe and satisfaction working environment for employee.																	
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Suppliers	<ul style="list-style-type: none"> <li>Business reviews</li> <li>Purchasing policies and procedures</li> <li>Meetings</li> </ul>	To ensure a sustainable supply of quality services and materials that meet market demand.																	
Government and local authorities	<ul style="list-style-type: none"> <li>Seminars, workshops and training sessions</li> <li>Audit and inspections</li> <li>Regulatory requirements reporting</li> </ul>	To ensure compliance with the relevant laws and regulations and promote accountability.																	

	<p>In conjunction with the periodic updates provided to the ARMC as mentioned above, the CEO, EDs and heads of department are also to provide the relevant updates to their respective departments in relation to the performance in relation to the sustainability strategies, priorities and targets set.</p> <p>The Board is also guided by the Sustainability Reporting Guide and Toolkits (3<sup>rd</sup> Edition) issued by Bursa Securities.</p>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

### Intended Outcome

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

### Practice 4.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Our Board ensures that it is kept abreast and understands the Group's sustainability issues through periodic updates by the SRMWC and ARMC.</p> <p>During the periodic briefings, the Board is presented with the challenges, risks and opportunities faced in its sustainability issues which are highlighted by the respective departments. With the briefings, the Board is able to better assess and form the Group's direction in relation to its sustainability strategies and policies.</p> <p>All members of the Board had attended the Mandatory Accreditation Programme II in relation to sustainability training for Directors.</p> <p>The Board also notes the key amendments to the Listing Requirements to align the sustainability reporting framework with the National Sustainability Reporting Framework launched by the Ministry of Finance on 24 September 2024 and will be taking the appropriate actions required to comply with the requirements going forward.</p> <p>Details of the sustainability policies and matters are reported in the Sustainability Statement of the Annual Report 2026.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 4.4

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Remuneration Policy of CABNET take into consideration the company's performance in managing material sustainability risks and opportunities. The remuneration and incentives for independent directors should not conflict with their obligation in bringing objectivity and independent judgment on matters discussed.</p> <p>The Board Effectiveness Evaluation when assessing the performance of the Board as a whole had also included assessment on the Board's corporate governance and sustainability performance.</p> <p>The review of senior management performance is mainly handled by the CEO. In addition to operational performance, the senior management are also will be evaluated in term of their ability to identify and implement mitigating actions for the Group's material sustainability risks and opportunities and which will be presented to and approved by the ARMC and the Board.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 4.5- Step Up

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

*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.*

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>The Board has established the SRMWC whose main function is that of the driving of the sustainability governance for the Group. The SRMWC is responsible for the development of strategies suited to the sustainability agendas of the Group as well as to monitor the progress of improving sustainability processes and performances.</p> <p>The SRMWC, currently led by Mr Koh Thain Lin and further assisted by the EDs, subsidiary directors and head of departments to assist the Board in overseeing the formulation, implementation and effective management of CABNET's sustainability strategies.</p> <p>In formulating and making recommendations on sustainability the SRMWC will be guided by:</p> <ul style="list-style-type: none"><li>i) the Group's Vision and Mission and the Corporate Philosophy;</li><li>ii) the Sustainability Reporting Guide and Toolkits (3<sup>rd</sup> Edition); and</li><li>iii) the amendments to the Listing Requirements on Sustainability Reporting Statement.</li></ul>

## Intended Outcome

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

### Practice 5.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p><u>Refreshing the Board Composition</u></p> <p>The NC is responsible to assist the Board (among other things) in the development and implementation of the policies on the nominating and appointment of Directors and Committee members in the Group, to achieve long-term sustainability of the organisation in accordance with the TOR of the NC.</p> <p>In this respect, the Board is mindful that for it to be effective, its composition must include the right group of people, with an appropriate mix of skills, knowledge, experience and independence elements that fit the Company's objectives and strategic goals.</p> <p>In upholding the high standards of governance in respect of new appointments to the Board, the Board ensures that the Directors of the Company conform with the Company's Fit and Proper Person Policy and that the Directors of the Company are comprised of those, who have the necessary skills, competencies, commitment, character, integrity and experience to complement the efficiency and effectiveness of the Board as a whole.</p> <p>The Board's Fit and Proper Person Policy and Procedures for appointments to the Board are viewed as a vital component of the governance process in determining the composition, size, balance, competencies and ultimately the quality and integrity of the Board.</p> <p>Accordingly, the Board has also adopted the practices for assessing the independence of Independent Directors annually and none of current board member has served more than nine (9) years in CABNET.</p> <p><u>Re-election of Directors</u></p> <p>The re-election of Directors provides an opportunity for shareholders to renew their mandate conferred to the Directors.</p> <p>The Constitution of the Company provides that all directors shall retire by rotation once in every three (3) years or at least one-third (1/3) of</p>

	<p>the Board shall retire but shall be eligible to offer themselves for re-election at the Annual General Meeting (“AGM”).</p> <p>The Director who is subject to re-election and/or re-appointment at the next AGM have been assessed by the NC before recommendation is made to the Board and shareholders for the re-election and/or re-appointment.</p> <p>All the Directors of the Company do not hold more than five (5) directorships in listed issuers as required under Rule 15.06 of the AMLR of Bursa Securities. The profile of each Director is presented in the Directors’ Profile section of the Annual Report.</p>	
<p><b>Explanation for departure</b></p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>	<p>:</p>	
<p><b>Timeframe</b></p>	<p>:</p>	

### Intended Outcome

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

### Practice 5.2

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>During the FYE 2026 under review, the Board of CABNET comprised of seven (7) members comprising:</p> <ul style="list-style-type: none"><li>• Three (3) EDs (including the CEO);</li><li>• Three (3) INEDs; and</li><li>• One (1) Non-Independent Non-Executive Director (“NINED”).</li></ul> <p>All the three (3) INEDs satisfy the independence test under the AMLR of Bursa Securities.</p> <p>The present composition fulfils the requirements of Rule 15.02(1)(a) of the AMLR which require at least two (2) directors or one third (1/3) of the Board, whichever is higher to be independent directors.</p> <p>The Board acknowledges that the Company does not currently comply with Practice 5.2 of the MCCG as Independent Directors do not constitute at least half of the Board members.</p> <p>The NC and the Board are currently in the process of identifying suitable candidates to strengthen the Board composition and enhance independent representation on the Board.</p> <p>Nevertheless, the Board is satisfied that the current Board composition remains effective and capable of exercising objective judgment in decision-making processes. The existing Independent Directors actively provide independent views and continue to demonstrate independence in character and judgment and are able to effectively discharge their fiduciary duties in safeguarding the interests of all stakeholders.</p> <p>In the interim, the Board remains effective and that adequate checks and balances are in place through:</p> <ul style="list-style-type: none"><li>• active participation of the Independent Directors;</li><li>• active oversight by the AMRC and other Board Committees, and all Board Committees are chaired by INEDs;</li></ul>

	<ul style="list-style-type: none"> <li>• all Board Committees, namely the ARMC, NC and RC are fully comprised members with only Independent Directors.</li> <li>• all major decisions are deliberated collectively by the Board.</li> <li>• supported by a designated Senior Independent Non-Executive Director.</li> </ul>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b></p>	<p>: Please explain the measure(s) the company has taken or intend to take to adopt the practice.</p>
<p><b>Timeframe</b></p>	<p>: Choose an item.</p>

### Intended Outcome

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

### Practice 5.3

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has also adopted the best practices for assessing the independence of Independent Directors annually and the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. When the Board retains an Independent Director, who has served in that capacity for more than nine (9) years, the Board would justify its decision and seek shareholders' approval.</p> <p>The Board also adopted the concept of independence in tandem with the definition of the Independent Directors under Rule 1.01 and Guidance Note 9 of the AMLR.</p> <p>In addition, all the Independent Directors are independent from management and have no family or business relationships with the EDs and major shareholders, which would interfere with the execution of their independent judgement.</p> <p>The Independent Directors provide their independent view, unbiased judgment and knowledge to the management as well as safeguarding the interests of the shareholders and do not participate in the day-to-day management of the Group.</p> <p>In April 2026, the Board through the NC conducted the annual assessment of the Board as a whole, the Board Committees, the individual Directors and the independence of the Independent Directors by way of peer assessment in the form of evaluation questionnaire, completed by the Directors. All three (3) INEDs had also confirmed their continuing independence and their ability to continue acting as an Independent Director to the NC. Through the assessment, the Board concluded that the independence of all three (3) INEDs has not been compromised or impaired in any way and were of the opinion that all three (3) INEDs will be in a position to continue to carry out their duties and responsibilities as Independent Directors of the Company.</p> <p>The Board is satisfied with the level of independence demonstrated by all the Independent Directors and their ability to act in the best interests of the Company.</p>

	Currently, CABNET have three (3) INEDs, none of whom have served beyond nine (9) years.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.4 - Step Up**

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

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

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

## Intended Outcome

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

## Practice 5.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges the importance of diversity among its Board members, to ensure a well-balanced range of profiles, including age, ethnicity, gender, ability to provide the necessary range of perspectives, experiences and expertise required to achieve effective board stewardship. The Board had adopted a Diversity Policy which acknowledges the importance of Board and senior management diversity which includes, but is not limited to, skills, experience, age, cultural background and gender.</p> <p>The NC is responsible to oversee the selection criteria and recruitment process and recommend to the Board taking into consideration the candidates’:</p> <ul style="list-style-type: none"><li>• skills, knowledge, expertise, competencies and experience;</li><li>• professionalism;</li><li>• potential conflict of interests;</li><li>• time devoted and tenure of office</li><li>• integrity; and</li><li>• in the case of candidates for the position of independent non-executives, the Committee should also evaluate the candidates’ ability to discharge such responsibilities / functions as expected from INEDs.</li></ul> <p><u>Appointment to the Board</u></p> <p>The Board has in place a Board’s procedures for Appointment of Directors which sets out the procedures in respect of new appointments to the Board to ensure that the Board is comprised of Directors who have the necessary skills, competencies, commitment and experience to complement the efficiency and effectiveness of the Board as a whole.</p> <p><u>Fit and Proper Person Policy</u></p> <p>In addition, the Board has adopted a Fit and Proper Person Policy to serve as guidance for the appointment, re-election of Directors and the</p>

appointment of key management personnel to carry out their responsibilities with full competence, character, diligence, integrity and judgement.

The main objective of the Fit and Proper Person Policy is to ensure that the Group is led by persons of integrity, credibility and competency as well as to enable the discharge of the responsibilities required of the position in the most effective manner.

CABNET is led and managed by a diverse, competent and experienced Board of Directors with a mix of suitably qualified and experienced professionals having wide and varied expertise in the fields of business, legal, accounting, engineering and information technology.

This enables the Board to carry out its responsibilities effectively and ensures accountability. In areas where the Board may not possess the required expertise, the Board would be able to garner advice from its consultants in the required field.

The current Board is drawn from different ethnic, cultural and socio-economic background with their age ranging from 46 years old to 66 years old to ensure that different viewpoints are considered in the decision-making process.

The Board currently includes one INED of the female gender and one female senior management.

The Board's current diversity is summarised below: -

	Race/ Ethnicity			Age Group			Gender	
	Malay	Chinese	Indian	41-50	51-60	61-71	Male	Female
No. of Directors	1	5	1	3	3	1	6	1

The Senior Management ("SM")'s current diversity is summarised below: -

	Race/ Ethnicity			Age Group		Gender	
	Malay	Chinese	Indian	31-40	51-60	Male	Female
Number of SM	-	4	1	1	4	4	1

The Board acknowledges the importance of diversity to ensure the mix and profiles of the Board members, in terms of age, ethnicity and gender, ability to provide the necessary range of perspectives, experiences and expertise required, are well balanced in order to achieve effective board stewardship.

The Diversity Polic, Board's Procedures for Appointment of Directors, and Fit and Proper Person Policy are made available on the Company's website at [www.cabnet.asia](http://www.cabnet.asia).

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

## Intended Outcome

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

## Practice 5.6

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is committed to upholding high standards of governance in respect of new appointments to the Board to ensure that the Directors of the Company conform with the Company's Fit and Proper Person Policy and that the Directors of the Company are comprised of those, who have the necessary skills, competencies, commitment, character, integrity and experience to complement the efficiency and effectiveness of the Board as a whole.</p> <p>The Board's Fit and Proper Person Policy and procedures for appointments to the Board are viewed as a vital component of the governance process in determining the composition, size, balance, competencies and ultimately the quality and integrity of the Board.</p> <p>The Board's NC is entrusted with the responsibility to review, propose and recommend the appointment of potential new Directors and ensure that the composition of the board is refreshed periodically after taking into consideration the current and future needs of the Company.</p> <p>The NC which is responsible for reviewing the effectiveness of the Board as a whole, the Board Committees, the contributions of the individual Directors and the Independence of the Independent Directors, will where appropriate, make its recommendations to the Board on the need to increase the Board size, the composition, the necessary skills, calibre and experience required and where available the potential candidates for appointment.</p> <p>The NC will where practical maintain a database of potential candidates. Potential candidates can be sourced from:</p> <ul style="list-style-type: none"><li>• existing Directors and substantial shareholders of the Company;</li><li>• existing Senior Management employees;</li><li>• professional bodies and organisations;</li><li>• business associates, shareholders;</li></ul>

	<ul style="list-style-type: none"> <li>• others independent sources including sourcing from a directors' registry, open advertisements or independent search firms; and</li> <li>• others</li> </ul> <p>Upon a decision being made by the Board to appoint Directors:</p> <ol style="list-style-type: none"> <li>a) The NC will identify suitable candidates from its available database or sources maintained taking into consideration the required skills, competencies, experience, Company's Fit and Proper Person Policy, and such other parameters as may be determined by the Board.</li> <li>b) The Chairman of the NC and the ED will meet with the identified candidates to assess/reassess their suitability for appointment.</li> <li>c) The identified candidate if cleared by the NC with a statement whether NC supports the appointment of the candidates and the reasons why then will be recommended to the Board for appointment.</li> <li>d) Subsequent or further meetings with the candidates may be arranged to the satisfaction of the Board, should the need arise.</li> <li>e) The discretion to accept or reject a candidate rest with the full Board of Directors.</li> </ol>
<b>Explanation for departure</b> :	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<b>Measure</b> :	
<b>Timeframe</b> :	

## Intended Outcome

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

## Practice 5.7

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The profiles of Directors are published in the Annual Report and on Bursa Securities' website. These include their age, gender, date of appointment, directorate, details of any board committee, directorships in other public companies and listed companies, qualification, working experience, and any conflict of interest as well as their shareholdings in the Company.</p> <p>The re-election of Directors provides an opportunity for shareholders to renew their mandate conferred to the Directors. The Director who is subject to re-election and/or re-appointment at the next AGM shall be assessed by the NC before recommendation is made to the Board and shareholders for the re-election and/or reappointment.</p> <p>The following Directors will be due for retirement at the 11<sup>th</sup> AGM of CABNET to be held on 29 July 2026 and being eligible have offered themselves for re-election: -</p> <ol style="list-style-type: none"><li>1. Mr. Yong Thiam Yuen, retiring under Clause 133; and</li><li>2. Mr. Abdul Mutalib Bin Idris, retiring under Clause 133.</li></ol> <p>Clause 133 of the Company's Constitution provides that all directors shall retire by rotation once in every three (3) years or at least one-third (1/3) of the Board shall retire but shall be eligible to offer themselves for re-election at the AGM.</p> <p>With regards to the re-election of Mr. Yong Thiam Yuen and Mr. Abdul Mutalib Bin Idris, the following observations were shared by the NC:-</p> <ol style="list-style-type: none"><li>1. Mr. Yong Thiam Yuen has a 100% attendance record for the Board meetings convened during the FYE 2026 and fulfilled the fit and proper person criteria relating to Probity, Personal Integrity, Reputation and Financial Integrity. Based on the evaluation of the performance of individual Director carried out by the NC in all key areas of meeting attendance, time commitment and operational matters as well as the fit and proper assessment in accordance</li></ol>

	<p>with the Fit and Proper Person Policy, the NC was of the opinion that Mr. Yong Thiam Yuen has performed and discharged his responsibilities as Director of the Company adequately and satisfactory as well as contributed positively to the effective functioning and processes of the Board.</p> <p>2. Mr. Abdul Mutalib Bin Idris has a 100% attendance record for the Board meetings convened during the FYE 2026 and fulfilled the fit and proper person criteria relating to Probity, Personal Integrity, Reputation and Financial Integrity. Based on the evaluation of the performance of individual Director carried out by the NC in all key areas of meeting attendance, time commitment and operational matters as well as the fit and proper assessment in accordance with the Fit and Proper Person Policy, the NC was of the opinion that Mr. Abdul Mutalib Bin Idris has performed and discharged his responsibilities as Director of the Company adequately and satisfactory as well as contributed positively to the effective functioning and processes of the Board. The NC was also satisfied with his performance as the Chairman of the NC and had concluded that Mr. Abdul Mutalib Bin Idris's independence has not been compromised or impaired in any way and was of the opinion that Mr. Abdul Mutalib Bin Idris will be in a position to continue to carry out his duties and responsibilities as an Independent Director of the Company.</p> <p>The Board taking into consideration of the NC's recommendation, resolved to recommend to the shareholders for the re-election of Mr. Yong Thiam Yuen and Mr. Abdul Mutalib Bin Idris at the forthcoming 11<sup>th</sup> AGM.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b></p>	<p>:</p>
<p><b>Timeframe</b></p>	<p>:</p>

### Intended Outcome

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

### Practice 5.8

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairman of the NC is Mr Abdul Mutalib Bin Idris, the Senior Independent Non-Executive Director, and during the FYE 2026, the NC was comprised exclusively of INEDs as follows: -</p> <p>Chairman <b>ABDUL MUTALIB BIN IDRIS</b> Senior Independent Non-Executive Director</p> <p>Member <b>MEACHERY JO-ANNE JOSEPH (F)</b> Independent Non-Executive Director</p> <p>Member <b>VINCENT WONG SOON CHOY</b> Independent Non-Executive Director</p> <p>The primary responsibilities of the NC are set out in detail in its TOR which is available for reference on the Company's website at <a href="http://www.cabnet.asia">www.cabnet.asia</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.9**

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Board currently includes one INED of the female gender, namely Ms Meachery Jo-anne Joseph, representing 14.28% of the Boards.	
		<p>The Board acknowledges the importance of diversity to ensure the mix and profiles of the Board members, in terms of age, ethnicity and gender, ability to provide the necessary range of perspectives, experiences and expertise required, are well balanced in order to achieve effective board stewardship.</p> <p>The NC will look into and shortlist potential women candidate based on the criteria set which includes, but is not limited to, skills, knowledge, expertise and experience, professionalism, integrity, ability to discharge such responsibilities/functions whenever there are suitable candidates available.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	The Board had adopted a diversity policy and the Board, through NC, will conduct all Board appointment process in a manner that promotes diversity. The NC will look into and shortlist the potential women candidate whenever there are suitable candidates available.	
<b>Timeframe</b>	:	Others	Please specify number of years.

### Intended Outcome

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

### Practice 5.10

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board had adopted a Diversity Policy and is made available on the Company's website at <a href="http://www.cabnet.asia">www.cabnet.asia</a>.</p> <p>The Board assisted by its NC and management is responsible for developing strategies to meet the objectives of the Diversity Policy, and monitoring the progress of achieving the objectives through the measures, monitoring, evaluation and reporting mechanisms.</p> <p>The Diversity Policy provides a framework for the Group to achieve:</p> <ul style="list-style-type: none"><li>a) a diverse and skilled workforce in the Board and the management, leading to continuous improvement in service delivery and achievement of corporate goals;</li><li>b) a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff;</li><li>c) an organisational culture that understands and values differences by developing and offering work arrangements that help to meet the needs of a diverse workforce;</li><li>d) improved employment and career development opportunities for women;</li><li>e) a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives through improved awareness of the benefits of workforce diversity and successful management of diversity; and</li><li>f) awareness in all staff of their rights and responsibilities with regards to fairness, equity and respect for all aspects of diversity</li></ul> <p>CABNET seeks to maintain a Board comprising of talented and dedicated Directors, as well as Senior Management with a diverse mix of expertise, experience, skills and backgrounds. The Board's and Senior Management's collective skills and backgrounds should reflect the diverse nature of the Group's business environment. For purposes of the Board and Senior Management composition, diversity includes but is not limited to skills, experience, age, cultural background and gender.</p>
<b>Explanation for departure</b>	:	

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

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

## Intended Outcome

Stakeholders are able to 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>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The Board had adopted a formal and objective Process for Assessing the Effectiveness of the Board as a whole, the Board Committees, contribution of each individual Directors and the independence of the Independent Directors on an annual basis.  In respect of the FYE 2026, the NC carried out the following activities: <ul style="list-style-type: none"><li>• reviewed the Board’s size, composition and balance and concluded that the Board’s dynamics during the FYE 2026 are healthy and effective. The members of the Board during the FYE 2026 were persons of calibre, character and integrity possessing the appropriate skills, experience and qualities to steer the Company forward.</li><li>• evaluated and assessed the performance and effectiveness of the Board as a whole, the Board Committees and the performance of each individual Directors in accordance with the process for evaluating and assessment approved and adopted by the Board. The evaluation process amongst others considered whether the Directors had access to all necessary information and appropriate avenues for advice to carry out their responsibilities, whether the Committees had met its purpose, whether its composition was appropriate, and whether it had the necessary authority and processes to carry out its functions and fulfil its obligations. The Board was assessed amongst other criteria, in respect of its composition, and whether the Board had the appropriate vision, mission and strategies, whether processes and procedures were adequate and efficient to enable it to carry out its responsibilities. Through this process carried out by way of evaluation questionnaires, the NC concluded that the Board’s dynamics were healthy and effective.</li></ul>

- evaluated and assessed the performance of Chairman of the Board, the Chairman of the ARMC, NC and RC were also conducted during the scheduled meeting of NC. Each Director had abstained in the deliberation of their own evaluation.
- proposed the re-election of Directors in accordance to the Company's Constitution. Information of the Directors standing for re-election is outlined in the Profile of Directors covering their age, gender, date of appointment, directorate, details any board committee, directorships in other public companies and listed companies, qualification, working experience, and any conflict of interest as well as their shareholdings in the Company.
- reviewed the profile of the Board candidates taking into consideration the qualification, expertise and experience before recommended to the Board for appointment.
- evaluated and assessed the independence of the Independent Directors in accordance with the process approved and adopted by the Board. The assessment carried out by the NC apart from looking at the criteria and definition of an Independent Director set out under the AMLR, also considers:
  - whether the Independent Directors have developed, established or maintained any significant relationship which would impair their independence as an Independent Director with the EDs and Major Shareholders other than normal engagements and interactions on a professional level consistent and expected of them to carry out their duties as INEDs, Chairman or member of the Board's Committees;
  - whether the Independent Directors have engaged in any transactions with the Group; and
  - whether the Independent Directors have devoted sufficient time commitment and desire to serve.

Independence is important and crucial for ensuring objectivity and fairness in the Board's decision-making process.

The NC concluded that:

- i) The Board was in a position to draw on the benefits and experience of its Directors' in the core areas of business, legal, accounting, engineering and information technology as well as the wide and varied business experience of its Directors. In areas where the Board may not be technically proficient, the Board would be able to garner advice from its consultants in the required field.
- ii) The Board composition fulfils the requirements of Rule 15.02(1)(a) of the AMLR which require at least two (2) directors or at least one third (1/3) of the Board members whichever is higher are independent directors.

	<p>iii) The Board was sufficiently diverse with:</p> <ul style="list-style-type: none"> <li>• the age of the directors ranging between 46 years old to 66 years old;</li> <li>• the directors coming from different backgrounds, profession and experience; and</li> <li>• gender diverse with one member of the female gender represented in the Board.</li> </ul> <p>The NC concluded that the Board’s composition, size, structure and balance going forward for the FYE 2026 is still a work in progress but is appropriate, complying with all requirements of the AMLR. The NC is satisfied with the size, structure and board composition, and is of the view that the mix of skills, diversity, competence, knowledge and experience and qualities of the existing and proposed new Board members are appropriate to enable the Board to carry out its responsibilities effectively. The NC also satisfied that no conflict of interest arises or where it arises, are properly addressed and mitigated to ensure that they would not impair their ability to represent the interest of the Company’s Shareholders and stakeholders and to fulfil the responsibilities of a director.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b></p>	<p>:</p>
<p><b>Timeframe</b></p>	<p>:</p>

### Intended Outcome

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

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

### Practice 7.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The RC and Board are mindful of the need to remunerate and retain its Directors and senior management to ensure that their commitment remains intact and therefore their remuneration package is directly linked to their performance, service, seniority, experience and scope of responsibilities.</p> <p>The RC is responsible to establish, recommend and constantly review a formal and transparent remuneration policy framework and terms of employment for the Board to attract and retain Directors and senior management which is aligned with the business strategy and long-term objectives of the Group taking into consideration that the remuneration of the Directors and senior management should reflect the responsibilities, expertise and complexity of the Company's activities.</p> <p>The Board had formalised and adopted a Remuneration Policy for the Board and senior management to attract and retain the Directors and senior management.</p> <p>In the case of EDs and senior management, the components of the remuneration package are linked to corporate and individual performance. For INEDs, the level of remuneration is reflective of their experience and level of responsibilities.</p> <p>The Remuneration Policy is designed with the aim to support the CABNET's key strategies and create a strong performance-oriented environment, and be able to attract, motivate and retain talent. The Remuneration Policy shall adhere to the following key principles:-</p> <ul style="list-style-type: none"><li>• total remuneration shall be set at levels that are competitive with the relevant market and industry.</li></ul>

	<ul style="list-style-type: none"> <li>• EDs’ and Senior Management’s yearly bonus and/or incentive bonus shall be performance-based.</li> <li>• incentive plans, performance measures and targets shall be aligned with shareholders’ interest in mind.</li> <li>• provide an appropriate level of transparency to ensure the policy underlying ED, Non-Executive Directors and Senior Management remuneration is understood by investors.</li> <li>• ensure a level of equity and consistency.</li> <li>• The Company’s performance in managing material sustainability risks and opportunities</li> </ul> <p>The Remuneration Policy of CABNET is available for reference on the Company’s website at <a href="http://www.cabnet.asia">www.cabnet.asia</a>.</p>
<b>Explanation for departure</b>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<b>Measure</b>	
<b>Timeframe</b>	

### Intended Outcome

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

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

### Practice 7.2

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The RC comprises wholly of INEDs" as follows:</p> <p>Chairman <b>MEACHERY JO-ANNE JOSEPH (F)</b> Independent Non-Executive Director</p> <p>Member <b>ABDUL MUTALIB BIN IDRIS</b> Senior Independent Non-Executive Director</p> <p>Member <b>VINCENT WONG SOON CHOY</b> Independent Non-Executive Director</p> <p>The primary responsibilities of the RC are set out in details in its TOR which is available for reference on the Company's website at <a href="http://www.cabnet.asia">www.cabnet.asia</a>.</p> <p>The Board is satisfied that the RC has effectively and efficiently discharged its roles and responsibilities in accordance with its TOR.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	

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

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

### Practice 8.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	In line with corporate governance best practice, the disclosure of the Directors' remuneration on a named basis for FYE 2026 is set out in the table below:-  *appointed as Director of the Company on 28 April 2025 **resigned as Director of the Company on 28 April 2025

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Jeffrey Lai Jiun Jye	Executive Director	28	0	125	25	0	27	205	29	0	175	0	19	35	258
2	Yong Thiam Yuen	Executive Director	30	0	0	0	0	0	30	0	0	300	25	24	61	410
3	*Koh Thain Lin	Executive Director	25	0	0	0	0	0	25	12	0	236	45	10	33	336
4	Abdul Mutalib Bin Idris	Independent Director	36	4	0	0	0	0	40	0	0	0	0	0	0	0
5	Meachery Jo-anne Joseph	Independent Director	35	4	0	0	0	0	39	0	0	0	0	0	0	0
6	Vincent Wong Soon Choy	Independent Director	36	4	0	0	0	0	40	0	0	0	0	0	0	0
7	Tjong Chia Huie	Non-Executive Non-Independent Director	30	2	0	0	0	0	32	0	0	0	0	0	0	0
8	**Datuk Tan Kok Hong @ Tan Yi	Independent Director	6	0	0	0	0	0	6	0	0	0	0	0	0	0
9	**Tay Hong Sing	Executive Director	0	0	0	0	0	0	0	29	0	300	25	0	62	416
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

### Intended Outcome

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

### Practice 8.2

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

<b>Application</b>	:	Applied – the company discloses the remuneration of members senior management who are not members of the board	
<b>Explanation on application of the practice</b>	:	In line with corporate governance best practice, the disclosure on a named basis in bands of RM50,000 of the top five senior management's remuneration of the Group for FYE 2026 is set out is as follows:	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Tay Hong Sing	Director of Cabnet Systems (M) Sdn Bhd	250,001-300,000	0-50,000	0-50,000	0-50,000	50,001-100,000	400,001-450,000
2	Murugesu A/L Vindasamy	Director of Cabnet M&E Sdn Bhd	250,001-300,000	50,001-100,000	0-50,000	0-50,000	50,001-100,000	400,001-450,000
3	Sim Yian Fei	Head of ELV Systems & Director of Cabnet Systems (M) Sdn Bhd	200,001-250,000	0-50,000	50,001-100,000	0-50,000	0-50,000	350,001-400,000
4	Kong Tze Senn	Head of Structured Cabling Works	100,001-150,000	50,001-100,000	0-50,000	0-50,000	0-50,000	200,001-250,000
5	Seow Zhen You	Group Finance Manager	150,001-200,000	0-50,000	0-50,000	0-50,000	0-50,000	200,001-250,000

**Intended Outcome**

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

**Practice 8.3 - Step Up**

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

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

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Company's ARMC is chaired by Mr Vincent Wong Soon Choy who is a member of Malaysia Institute of Accountants.</p> <p>The Chairman of the Board is Dato's Jeffrey Lai Jiun Jye.</p> <p>As such, the Chairman of the ARMC is distinct from the Chairman of the Board. Having the positions of Board Chairman and Chairman of the ARMC assumed by different individuals allows the Board to objectively review the ARMC's findings and recommendations.</p> <p>The detailed TOR of the ARMC outlining the composition, duties and functions, authority and procedures of the ARMC are made available on the Company's website at <a href="http://www.cabnet.asia">www.cabnet.asia</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The independence, objectivity and integrity of the members of the ARMC are the key requirements which the Board of CABNET recognises as essential for an effective and independent ARMC. None of the members of the Board were former audit partners.</p> <p>As a measure to safeguard the independence and objectivity of the audit process, the ARMC has incorporated a policy stipulated that no former key audit partner of the external audit firm and/or affiliate firm (including those providing advisory services, tax consulting, etc) of the Group shall be appointed as a member of the ARMC before observing a cooling-off period of at least three (3) years before being appointed as a member of the ARMC.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The ARMC has adopted a procedure to assess the suitability, objectivity and independence of the External Auditors ("EA"). In assessing the suitability, objectivity, and independence of the EA, the ARMC would consider the information presented in the Annual Transparency Report of the audit firm.</p> <p>The ARMC carried out an assessment of the performance and suitability of UHY Malaysia PLT based on an assessment questionnaire which took into consideration assessment criteria such as the quality of services which covered the understanding of the business operations, audit management team continuity, make recommendations to help/improve business/processes, deliver effective presentation and reports, achieve expectation of the Company, improvement compared to previous year performance, meeting deadlines and relationship with the Management and other parties.</p> <p>UHY Malaysia PLT were also requested to furnish a declaration of their Independence to the Company as part of these procedures. UHY Malaysia PLT had indicated their willingness to seek re-appointment as EA for the financial year ending 28 February 2027.</p> <p>The ARMC is satisfied with the independence, performance and suitability of UHY Malaysia PLT based on the assessment and are recommending to the Board and shareholders for approval for the re-appointment of UHY Malaysia PLT as EA for the financial year ending 28 February 2027.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	During the FYE 2026, the ARMC of CABNET is comprised solely of INEDs as follows:  Chairman <b>VINCENT WONG SOON CHOY</b> Independent Non-Executive Director  Member <b>ABDUL MUTALIB BIN IDRIS</b> Senior Independent Non-Executive Director  Member <b>MEACHERY JO-ANNE JOSEPH (F)</b> Independent Non-Executive Director

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The composition of the ARMC is as stated under Practice 9.4 above. Members of the ARMC possess a wide range of skills and experience derived from their core background professions in law, business, accounting, financial and commercial disciplines. The Chairman of the ARMC is a member of the Malaysian Institute of Accountants (MIA) and thus, fulfilling Rule 15.09(1)(c) of AMLR, which requires at least one member of the ARMC to be a member of a professional accountancy body.</p> <p>The Board is satisfied with the performance of the ARMC and each of its members and that they had carried out their duties in accordance with the TOR of the ARMC.</p> <p>All members of the ARMC have undertaken continuous professional development. During the reporting year, the ARMC members had attended training courses. Details of their training is disclosed in the Corporate Governance Overview Statement of the Annual Report 2026.</p> <p>At the ARMC meeting, the EA had briefed the ARMC on the financial reporting updates which cover new Malaysian Financial Reporting Standards ("MFRSs") adopted by the Group and amendments/improvements to MFRSs that have been issued, but yet to be effective.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

### Intended Outcome

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

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

### Practice 10.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board (in line with the Institute of Internal Auditors' ("IIA") Three Lines Model – Governance Body Roles) affirms its overall responsibility for maintaining a sound governance, risk management and internal control systems and for reviewing their adequacy and effectiveness so as to provide assurance on the achievement of the Group's mission, vision, core values, strategies and business objectives as well as to safeguard all its stakeholders' interests and protecting the Group's assets. The Board is established risk appetite of the Group based on the strategies, business objectives, internal and external business context, business nature and corporate lifecycle.</p> <p>The Board delegates the duty of managing and administering of the day-to-day operations and running of the Group (including but not limited to, ensuring appropriate risk management practices and policies are implemented) as well as development of corporate strategies and strategic plans and implementation thereof to the Chief Executive Officer ("CEO") per the Board Charter (in line with the IIA Three Lines Model – First Line roles), who is assisted by the Risk Management Committee on the identification, assessment and management of key business risks as well as risk performance monitoring and reporting (as Second Line roles of IIA Three Lines Model). On the other hand the ARMC is delegated with board oversight function whereby ARMC is assigned with the duty to review and to provide assurance to the Board on the adequacy and effectiveness of risk management and internal control system of the Group respectively, vide Risk Management Handbook and TOR respectively as approved by the Board. Internal control and risk-related matters which warranted the attention of the Board were recommended by the ARMC to the Board for its deliberation and approval. In addition, the Board has an effective oversight over the audit findings and recommendations highlighted by outsourced internal audit function (as the Third Line roles per IIA's Three Lines Model) as well as the EA.</p> <p>The Board recognises risk management as an integral part of system of internal control and good management practice in pursuit of its strategic objectives. The Board maintained an on-going commitment for identifying, evaluating and managing significant risks faced by the Group systematically during the FYE 2026 under review.</p>

	<p>The Board had put in place a structured Risk Management Handbook, as the governance structure and processes for the risk management on enterprise wide, in order to embed the risk management practice into all levels of the Group and to manage key business risks faced by the Group adequately and effectively.</p> <p>The Group relies on the internal audit function (outsources to an external consultant which report directly to ARMC) to provide the Board and the Management with the required level of assurance that the governance, risk management and internal control system are adequate and effective in mitigating organisational risks to achieve the Group's corporate objectives.</p> <p>The Group's internal control and risk management framework is discussed in more detail in the Statement on Risk Management and Internal Control of the Annual Report 2026.</p>	
<b>Explanation for departure</b>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>		
<b>Timeframe</b>		

### Intended Outcome

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

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

### Practice 10.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Risk assessment, monitoring and review of the various risks faced by the Group are continuous processes within the key operating units, with the Risk Management Committee (a Management Level Committee) playing a pivotal oversight function as delegated by the Board.</p> <p>The Risk Management Handbook was put in place which was developed and customised based on the foundation of the Federation of European Risk Management Associations (“FERMA”) 2002 (Risk Management Standard framework) and International Organisation for Standardisation (“ISO”) 31000:2018 - Risk Management Guidelines in view of the Group’s distinct operations and environment.</p> <p>The Risk Management Handbook established lays down the risk management’s objectives and processes established by the Board with formalised governance structure of the risk management activities of the Group.</p> <p>The Group’s internal control and risk management framework is discussed in more detail in the Statement on Risk Management and Internal Control of the Annual Report 2026.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 10.3 - Step Up**

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

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

### Intended Outcome

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

### Practice 11.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>CABNET’s internal audit function is outsourced to a professional services firm, to assist the Board and ARMC in providing an independent assessment on the adequacy, efficiency and effectiveness of the CABNET Group’s internal control system.</p> <p>During the FYE 2026, the outsourced internal audit function carried out audits in accordance with the internal audit plan approved by the ARMC. The internal audit plan was developed taking into consideration the Group’s risk profiles and concerns of Executive Management and the ARMC.</p> <p>To support the ARMC in discharging their responsibilities, the internal audit function reports directly to the ARMC. The Management also will update the ARMC on the implementation status of the recommendations under previous Internal Audit Report at ARMC meetings.</p> <p>The ARMC carried out an assessment of the performance of the internal audit function by considering and reviewing the internal audit function qualifications and experience, resources availability and competency, independence, scopes and functions of the internal audit function and collaboration with EA.</p> <p>Further details of the internal audit activities are set out in the Audit and Risk Management Committee Report and Statement on Risk Management and Internal Control of the CABNET’s 2026 Annual Report.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



## Intended Outcome

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

## Practice 11.2

The board should disclose–

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The review of the adequacy and effectiveness of the CABNET Group's risk management and internal control systems is outsourced to an independent professional firm, namely, NeedsBridge Advisory Sdn Bhd, who, through the ARMC, provides the Board with much of the assurance it requires in respect of the adequacy and effectiveness of the Group's system on the risk management and internal control.</p> <p>The outsourced internal audit function is reporting to the ARMC directly and the engagement director, Mr. Pang Nam Ming, is a Certified Internal Auditor and Certification in Risk Management Assurance accredited by the Institute of Internal Auditors and a professional member of the Institute of Internal Auditors Malaysia and a member of Malaysian Institute of Accountants with practicing certificate. The internal audits are carried out, in material aspects, in accordance with the International Professional Practices Framework, i.e. Global Internal Audit Standards and Topical Requirements established by the Institute of Internal Auditors . During the FYE 2026 under review, the resources allocated to the fieldworks of the internal audit by the outsourced internal audit function were one (1) manager/assistant manager and assisted by at least one (1) consultant and one (1) associate consultant per engagement with oversight performed by the director.</p> <p>The audit engagement of the outsourced internal audit function is governed by the engagement letter and Internal Audit Charter approved by the Board. Key terms of the engagement include purpose and scope of works, accountability, independence, the outsourced internal audit function's responsibilities, the management's responsibilities, the authority accorded to the outsourced internal audit function, limitation of scope of works, confidentiality, proposed fees and engagement team. The appointment and resignation of the outsourced internal audit function as well as the proposed audit fees are subject to review by the ARMC and for its reporting to the Board for ultimate approval.</p> <p>To preserve the independence and objectivity, the outsourced internal audit function is not permitted to act on behalf of Management, decide</p>

	and implement management action plan, perform on-going internal control monitoring activities (except for follow up on progress of action plan implementation), authorise and execute transactions, prepare source documents on transactions, have custody of assets or act in any capacity equivalent to a member of the Management or the employee.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 12.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the importance of communications with its stakeholders and is committed to upholding high standards of transparency and promotion of investor confidence through the provision of comprehensive, accurate and quality information on a timely and consistent basis.</p> <p>CABNET Investor Relations ("IR") play its role to ensure proper channels of communication between CABNET and the stakeholders.</p> <p>The Board has in place the Stakeholders Communication Policy which sets out the aims and practices of the Company in respect of communicating with its shareholders (both current and prospective) and the Corporate Disclosure and Cybersecurity Policy:</p> <ul style="list-style-type: none"><li>• To promote and elevate a high standard of integrity and transparency through timely comprehensive, accurate, quality and full disclosure.</li><li>• To promote and maintain market integrity and investor confidence.</li><li>• To exercise due diligence to ensure the veracity of the information being disseminated is factual, accurate, clear, timely and comprehensive.</li><li>• To build good relationship with all stakeholders based on transparency, openness, trust and confidence.</li><li>• To align cyber security initiatives to business objectives.</li><li>• To establish cybersecurity governance to support cybersecurity initiatives</li><li>• To have in place efficient procedures for managing and documenting information, which promotes accountability for the disclosure and dissemination of material information.</li><li>• To enable shareholders and stakeholders to have access to the Group's business information including financial reporting and other corporate reporting disclosure;</li><li>• To ensure that the Company makes timely and accurate disclosure of all material information to the public; and</li><li>• To ensure a credible and responsible market in which participants conduct themselves with the highest standards of due diligence and</li></ul>

	<p>investors have access to timely and accurate information to facilitate the evaluation of securities.</p> <p>During FYE 2026, the Board ensured the supply of clear, comprehensive and timely information to the stakeholders via the following:</p> <ul style="list-style-type: none"> <li>a) Publication of 2025 annual report;</li> <li>b) Provide all relevant disclosures including quarterly financial results of the CABNET Group by way of announcement through Bursa link;</li> <li>c) Frequent updating of information relevant to Investor Relations, such as annual report, corporate governance report, financial results and announcements through the Company's corporate website; and</li> <li>d) Engagement with stakeholders through 2025 AGM where the Chairman of the Meetings had highlighted to shareholders and proxy holders, their right to speak up at general meetings, the conduct of poll voting for all resolutions tabled at general meetings and review of the performance of the company during AGM.</li> </ul> <p>The detailed Stakeholders Communication Policy and Corporate Disclosure and Cybersecurity Policy are available on the Company's website at <a href="http://www.cabnet.asia">www.cabnet.asia</a>.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b></p>	<p>:</p>
<p><b>Timeframe</b></p>	<p>:</p>

**Intended Outcome**

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

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

**Practice 12.2**

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

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

### Intended Outcome

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

### Practice 13.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The 10<sup>th</sup> AGM of CABNET was held on 30 July 2025 and the notice was distributed to shareholders on 26 June 2025. The notice was dispatched at least 28 days prior to the date of the AGM, well in advance of the 21 days requirement under the Act and AMLR, which allows sufficient time for the shareholders to consider the proposed resolutions to be tabled at the AGM.</p> <p>In addition, the notice of CABNET AGM also included details and relevant explanatory notes to the resolutions proposed to enable the shareholders to make informed decisions in exercising their voting rights.</p> <p>CABNET's 11<sup>th</sup> AGM will be held on 29 July 2026. CABNET's 2026 Annual Report together with the Notice of the 11<sup>th</sup> AGM dated 29 June 2026 will be available on the Company's website at <a href="http://www.cabnet.asia">www.cabnet.asia</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 13.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company's 10<sup>th</sup> AGM was held on 30 July 2025. All seven (7) Directors including the Chairman of the ARMC, NC and RC attended the 10<sup>th</sup> AGM.</p> <p>All the seven (7) Directors will also endeavour to attend the forthcoming 11<sup>th</sup> AGM and engage directly with the shareholders and will be accountable for their stewardship of the Company. Amongst them will be the Chairman of the ARMC, NC and RC.</p> <p>The management and the EA or its representative have taken note and scheduled to be present at the 10<sup>th</sup> AGM to answer any relevant shareholder's queries.</p> <p>The Chairman of the general meeting will open the floor to the shareholders to raise questions related to the Company's financial statements and any other items on the meeting's agenda, before putting the resolutions to vote.</p> <p>The presence of all Directors presented opportunities for the shareholders to engage with each Director and also allow the shareholders to raise questions and concerns directly to the Directors.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>CABNET will be conducting its 10<sup>th</sup> AGM on 30 July 2025 by way of physical mode. The venue is at a public place and easily accessible.</p> <p>In the event if there are shareholders who were not able to attend personally, such shareholders are entitled to appoint proxies/attorney to attend and vote on their behalf.</p> <p>The Board also takes into consideration the joint statements issued by the Securities Commission Malaysia and the Bursa Securities dated 30 August 2024 where it was announced that all listed issuers must conduct hybrid or physical general meetings from 1 March 2025.</p> <p>The Board believes that physical meetings provide a better avenue and unique opportunity for direct interaction and engagement between the Company's management, board of directors, and shareholders. By organizing physical general meetings, shareholders have the opportunity to personally express their concerns, raise questions, and engage directly with the Directors and senior management. This level of engagement fosters transparency, trust, spontaneous and a sense of involvement among shareholders compare to virtual and hybrid modes.</p> <p>The Corporate Disclosure and Cybersecurity Policy is made available for references on the Company's website at <a href="http://www.cabnet.asia">www.cabnet.asia</a>.</p> <p>The Company may consider leveraging on technology to facilitate more shareholders' participation at general meetings when it is necessary at an appropriate time in the future.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

<b>Measure</b>	: Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	: Choose an item.

### Intended Outcome

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

### Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>The Chairman of the general meeting plays a crucial role in facilitating effective communication and encouraging constructive feedback from shareholders during general meetings. These meetings serve as valuable opportunities for shareholders to engage with the Company.</p> <p>At the AGM, the ED at the request of the Chairman, provided shareholders with a concise overview of the Group's financial performance and its long-term strategies. This allowed shareholders to gain insight into the company's progress and future plans.</p> <p>To enhance shareholder participation, the Chairman allowed shareholders to submit their questions. These questions include the resolutions presented at the 10<sup>th</sup> AGM, the company's financial performance and prospect.</p> <p>Moreover, the Chairman of the general meeting ensures that sufficient time is allocated during the AGM for meaningful discussions and addressing the questions raised by shareholders. This commitment ensures that all shareholders have an opportunity to have their concerns addressed and receive the necessary information to make informed decisions.</p> <p>The responses to the questions were then published on CABNET corporate website together with the minutes of AGM within 30 business days after the AGM including any questions that had yet to respond at the AGM.</p>
<b>Explanation for departure</b>	:  

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

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

### Intended Outcome

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>	
<b>Application</b> :	Not applicable – only physical general meetings were conducted in the financial year
<b>Explanation on application of the practice</b> :	
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### Intended Outcome

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

### Practice 13.6

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>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The 10 <sup>th</sup> AGM of CABNET was held on 30 July 2025. The proceedings of the AGM including the responses to the questions raised by the shareholders and proxies of the Company before and during the AGM were recorded in the minutes of AGM.  The minutes of AGM were uploaded on CABNET’s corporate website at <a href="http://www.cabnet.asia/Minutes-of-Shareholders-Meetings">www.cabnet.asia/Minutes-of-Shareholders-Meetings</a> within 30 business days after the AGM.  During the question and answer session, the Chairman invited the shareholders to raise questions related to the Company’s financial statements and any other items on the meeting’s Agenda, before putting the resolutions to vote. The summary of key matter discussed, if any, will be published on the Company website in accordance to the requirement of the AMLR.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

**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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