CORPORATE GOVERNANCE REPORT

STOCK CODE	**:**	0237
COMPANY NAME	**:**	HAILY GROUP BERHAD
FINANCIAL YEAR	**:**	December 31, 2025

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE
Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA
Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

Practice 1.1
The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	:	Applied
Explanation on application of the practice	:	The Board of Directors ("Board") of Haily Group Berhad ("Haily" or "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 ("MCCG"). The Board and its Directors are also guided by the Guidelines on Conduct of Directors of Listed Corporations and their Subsidiaries issued by the Securities Commission on 30 July 2020 and revised on 12 April 2021. 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, add to shareholders' value and safeguard the interests of stakeholders. While the Board sets the strategic plan and policies, the Chief Executive Officer ("CEO") who is supported by the Executive Directors ("EDs") and assisted by the Senior Management of the Group is responsible for making and implementing operational and corporate decisions while 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 projections in safeguarding the interests of the shareholders. The Board is also assisted by several Board Committees ("Committees"), namely Audit and Risk Management Committee

	("ARMC"), Nominating Committee ("NC") and Remuneration Committee ("RC") to assist in the execution of Board functions. The ARMC and the Board are further assisted by the Sustainability and Risk Management Committee ("SRMC") (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 agendas. All Committees have written Terms of Reference ("TOR") which are available for reference on the Company's website at www.haily.my. These Committees are formed in order to enhance business and operational efficiency as well as efficacy. The respective Chairman of these Committees would report to the Board during the Board meetings on significant and salient matters deliberated in the Committees. Although the Board may delegate powers and responsibilities to these Committees, the Board retains ultimate accountability for discharging its duties. 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 the discharge of its duties and responsibilities, the applicable CG Practices and guidances are embedded in the TOR of the respective Committee, the Board's Policies and the Board Charter which clearly delineate relevant matters including those reserved for the Board's approval, and those which the Board may delegate to the Committees, the CEO, the EDs and the Management. The last review conducted by the Board on the Board Charter to ensure that it remains consistent with the Board's objectives and responsibilities was in February 2026. The Board Charter as well as the following Policies and TOR of the Committees are made available on the Company's website at www.haily.my.: <u>Policies</u> • Anti-Bribery and Anti-Corruption Policy • Board Corporate Disclosure Policy • Board's Procedures for Appointment of Directors • Code of Conduct and Business Ethics Policy • Continuing Education Policy • Diversity Policy • Remuneration Policy • Stakeholder Communications Policy • Whistle-Blowing Policy • Fit and Proper Person Policy <u>Terms of Reference</u> • Audit and Risk Management Committee • Nominating Committee

<table>
<tr><td></td><td colspan="2">Remuneration Committee</td></tr>
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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 1.2

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

<table>
<tr><td>Application :</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">Haji Mohd Jaffar Bin Awang (Ismail) is the Chairman of the Board and an INED of the Company. His profile can be viewed from the Directors' Profiles of the Company's Annual Report 2025.

The Chairman is responsible for leadership, governance, orderly conduct of the Board and ensuring the effectiveness of all aspects of its role. The Chairman represents the Board to the shareholders and acts as facilitator at the meetings of the Board and ensure that no Board member dominates the discussion, appropriate discussion takes place, relevant opinions among Board members are forthcoming and decisions are arrived after due consideration.

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 www.haily.my.</td></tr>
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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 1.3
The positions of Chairman and CEO are held by different individuals.

Application	:	Applied
Explanation on application of the practice	:	Haily's Board is led by an Independent Non-Executive Chairman, Haji Mohd Jaffar Bin Awang (Ismail) and supported by four (4) EDs and three (3) INEDs. The CEO of the Company is Mr Yoong Woei Yeh. The position of Chairman of the Board and CEO are held by different individuals. The Chairman is responsible for leadership, governance, orderly conduct of the Board and ensuring the effectiveness of all aspects of its role. The Chairman represents the Board to the shareholders and acts as facilitator at the meetings of the Board and ensure that no Board member dominates the discussion, appropriate discussion takes place, relevant opinion among Board members is forthcoming and decisions are arrived after due consideration. The CEO has the executive responsibility for the day-to-day operations of the Group's business and is responsible to implement the Group's policies, strategies and decisions adopted by the Board. The CEO shall be the head of the Management of the Group and reports to the Board. The positions of the Chairman and the CEO are separately held ensuring balance of power, accountability and division of roles and responsibilities of the Board and the Management of the Group's business and operations. The Board has developed descriptions for responsibilities of the Board Chairman and CEO. The details of these responsibilities are articulated in the Board Charter which is made available on the Company's website at www.haily.my.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	

Timeframe :		

Intended Outcome

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

Practice 1.4

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

<table>
<tr><td colspan="3">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'.</td></tr>
<tr><td>Application :</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">Haily is in compliance with Practice 1.4 of the MCCG whereby the Chairman of the Board, Haji Mohd Jaffar Bin Awang (Ismail) is not a member of the ARMC, NC and RC of Haily.

The Board Charter and TOR of the ARMC, NC and RC clearly stipulate that the Chairman of the Board shall not be a member of the ARMC, NC and RC.</td></tr>
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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 1.5
The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	:	Applied
Explanation on application of the practice	:	The Board is supported by two (2) External Company Secretaries, both qualified to act as Company Secretary under Section 235 of the Act and also registered as holders of the Practising Certificate issued by Suruhanjaya Syarikat Malaysia. Both the Company Secretaries are Associate Member of the Malaysian Institute of Chartered Secretaries and Administrators. 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 legislation. 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 EDs 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. The Company Secretaries attend all Board and 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.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		

Measure :		
Timeframe :		

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

Practice 1.6
Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	:	Applied
Explanation on application of the practice	:	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. A corporate calendar of all scheduled meetings and planned events for the coming financial year is furnished to all Directors and the Management by the Company Secretaries normally before the start of the financial year to aid and facilitate the Directors in scheduling and meeting their time commitments. 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 proceeding 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. 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. The Company Secretaries will also follow up with the Management on status of actions taken with reference to the previous minutes of meetings for updating the Board. Action items would stay as matters arising in the minutes of meetings until they are resolved.
Explanation for departure	:	

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

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

Practice 2.1
The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

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

Application	:	Applied
Explanation on application of the practice	:	The Board Charter is the primary document which clearly set out the roles and responsibilities of the Board, Chairman of the Board, EDs, the Board Committees, CEO and the Individual Board members taking into consideration all applicable laws, rules and regulations as well as the best practices. It serves as guidance to assist all Board members and outlines what is expected from them in terms of their commitment, roles and responsibilities in discharging their fiduciary duties and fulfilling their responsibilities as Board members. It serves as a reference and primary induction literature in providing Board members insight into the function of the Board of Directors of the Company. Board specific reserved matters covering areas such as strategy and business planning, finance and controls, people, compliance, support and assurance and others are entrenched in the Company's Board Charter. It also serves as a reference in the annual assessment of the Board's performance, performance of its Committees, Chairman of Board Committees, INEDs and of its individual Directors. The last review conducted by the Board on the Board Charter to ensure that it remains consistent with the Board's objectives and responsibilities was in February 2026. The Company's Board Charter is made available on the Company's website at www.haily.my.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	

Timeframe :		

Intended Outcome

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.

<table>
<tr><td>Application :</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">The Board has formalised a Code of Conduct and Business Ethics ("the Code"), setting out the standards of conduct expected from Directors and employees at executive level and above (referred to as "employees"). The Code 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 duties and responsibilities. The Board aims to ensure that all Directors and employees act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

The Board has implemented appropriate processes and systems to support, promote and ensure its compliance. The Board will periodically review the Code which is made available on Haily's website at www.haily.my.</td></tr>
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Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied	
Explanation on application of the practice	:	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 them. The last review conducted by the Board on the WBP was in March 2026 and is made available on the Company's website at www.haily.my. This Policy is administered by the ARMC with the assistance of the Management and overseen by the Board.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

Practice 4.1
The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

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

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

Application	:	Applied
Explanation on application of the practice	:	The Board has primary responsibility for ensuring that the Group commits to and practices the highest standard of corporate governance, which is inculcated and embedded into the Group's organisational culture. 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, enhance shareholders' value and safeguard the interests of stakeholders. 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 ensuring that the current standing and the response of the sustainability matters of the Group remain relevant taking into consideration any changes to the Group's Sustainability Pillars including climate-related risks and opportunities. 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 in meeting the sustainability objectives with the view to achieve growth and profitability, improving the operational efficiencies and managing risks with regard to Economic, Environmental and Social performance. The Board had also established the SRMC, a management level committee with its own TOR. The SRMC, jointly led by the CEO and an ED and assisted by the Chief Financial Officer ("CFO"), Chief Operating Officer ("COO") and heads of departments assisted the Board in

	overseeing the formulation, implementation and effective management of Haily's sustainability strategies. Under the purview of the SRMC is the Sustainability and Risk Management Working Group ("SRMWG"), represented by members from the middle management across various departments. SRMWG is responsible for the day-to-day implementation of the organisation's strategies and plans. The SRMC reports to the ARMC before matters are escalated to the Board.	
Explanation for departure :		
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Measure :		
Timeframe :		

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

Practice 4.2
The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied
Explanation on application of the practice	:	The SRMC was established to be principally responsible for driving the sustainability governance of the Group and is comprised of our CEO and certain EDs, CFO, COO and heads of department. The key roles of the SRMC are as follows: • To ensure that the sustainability strategies, priorities and targets of the Group are aligned to the Group's vision and mission statement and are embedded in and function effectively throughout the Group; • To develop strategies suited to the sustainability agendas and ensure that the current standing and the response of the sustainability matters of the Group remain relevant taking into consideration any changes to the Group's approach to sustainability; • To conduct periodic review of the material sustainability matters of the Group and determine the adequacy of the response and the current status of the material sustainability matters and reporting the review results and recommendations to the ARMC for consideration; • To provide appropriate advice and recommendations on the material risk issues, and ensure that risk management strategies, framework, policies, processes, tolerance and risk appetite are in place for the timely identification, mitigation and management of such key risks which may have material impact on the Group and provide overall direction and decisions on sustainability governance, strategy, initiatives, performance and processes; and • To provide awareness and education on sustainability management to all levels of employees within the Group. Based on the above, the Board has delegated the driving of the Group's sustainability governance to the SRMC, which is a sub-committee of the ARMC. The SRMC 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 SRMC to escalate such matters to the Board. In discharging its responsibilities, the SRMC ensures that the Group's strategies, priorities and targets on sustainability is communicated via the CFO, COO and heads of department to the employees in their respective departments. In conjunction with the periodic updates provided to the ARMC as mentioned above, the CFO, COO 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. Our Group's external stakeholders comprise mainly of our subcontractors, suppliers and shareholders. Our main sustainable practice required by us of our sub-contractors and suppliers is to maintain the environmental sustainability and reduction of wastage at our construction sites. This is communicated and monitored by our project managers and site agents to the respective sub-contractors and suppliers. As for our shareholders, our Company is committed to ensure communication in relation to the Group's sustainability strategies, priorities and targets are adequate and sufficient. In line with the ACE LR of Bursa Securities, we have prepared our Corporate Sustainability Statement included in our Annual Report 2025 together with this CG Report for the information of our shareholders. In addition, we also periodically update our website on social aspects undertaken by our Group for the information of our shareholders. The Board is also guided by Sustainability Reporting Guide and Toolkits (3rd Edition) issued on 26 September 2022 by Bursa Securities.
Explanation for departure :	
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Measure :	
Timeframe :	

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

Practice 4.3
The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

<table>
<tr><td>Application :</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">Our Board ensures that it is kept abreast and understands the Group's sustainability issues through periodic updates by the SRMC and ARMC. 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. In addition, representatives of our Group have attended relevant training programmes related to environmental, social and governance during the financial year ended 31 December 2025 ("FYE 2025"). Details of the training programmes are disclosed in the Sustainability Statement of the Annual Report 2025.

The Board also note the key amendments to the LR 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.</td></tr>
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Intended Outcome
The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4
Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	:	Applied
Explanation on application of the practice	:	The review of the Board's performance is mainly the function of the NC. In evaluating the Board's size, composition and balance, the NC takes into consideration the contributions of each Board member and deliberates accordingly if such Board member continues to be suitable and the core competencies which the respective directors should bring to the Board are present. In addition, the NC is also tasked with the reviewing and recommending to the Board, the re-election of any Director as and when it becomes due in accordance with Clause 133 of the Company's Constitution "Retirement by Rotation". Amongst the criteria being considered by the NC in these processes are the contributions of the Board members in providing input, suggestions and action plans on the Group's material sustainability risks and opportunities. The review of senior management performance is mainly handled by the CEO while the CEO's performance is evaluated by the Board. In addition to operational performance, the senior management are also evaluated in term of their ability to identify and implement mitigating actions for the Group's material sustainability risks and opportunities which have been presented to and approved by the ARMC and the Board.
Explanation for departure	:	
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Measure	:	
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Intended Outcome
The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up
The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.		
Application	:	Adopted
Explanation on adoption of the practice	:	The Board has established the SRMC whose main function is that of the driving of the sustainability governance for the Group. The SRMC 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. Our CEO has been identified as the key person in charge of the SRMC. His key role as the chairman of the SRMC is to promote the integration of sustainable practices in our Group's day-to-day operations while building long-term value to our stakeholders as mentioned in our Company's vision and mission statements. In formulating and making recommendations on sustainability, the SRMC will be guided by: - i. the Group's vision and mission and the corporate philosophy; ii. the Sustainability Reporting Guide and Toolkits (3rd Edition); and iii. the amendments to the LR on Sustainability Reporting Statement.

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

Practice 5.1
The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	Refreshing the Board Composition 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 Haily, to achieve long-term sustainability of the organisation in accordance with the TOR of the NC. 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. 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. 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. 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, diversity and experience required and where available the potential candidates for appointment. The NC will where practical maintain a database of potential candidates. Potential candidates can be sourced from:

	- existing Directors and substantial shareholders of the Company - existing Senior Management employees - professional bodies and organisations - business associates, shareholders - other independent sources 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. 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 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. <u>Re-election of Directors</u> The re-election of Directors provides an opportunity for shareholders to renew their mandate conferred to the Directors. 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 Annual General Meeting ("AGM"). Whereas Clause 118 of the Company's Constitution provides that any Director appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the next AGM and shall then be eligible for re-election. 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.
Explanation for departure :	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.	
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Timeframe :		

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

Practice 5.2
At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

<table>
<tr><td>Application</td><td>:</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice</td><td>:</td><td colspan="2">The current Board of Directors consists of eight (8) members comprising:

• Four (4) Executive Directors (including the CEO); and
• Four (4) Independent Non-Executive Directors (including the Chairman of the Board).

The present composition is in compliance with Rule 15.02(1)(a) of the ACE LR of Bursa Securities which require at least two (2) directors or at least one third (1/3) of the Board members whichever is higher are independent directors as well as fulfil the recommendation of the MCCG for at least half of the Board members comprising of independent directors.</td></tr>
<tr><td rowspan="2">Explanation for departure</td><td rowspan="2">:</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="4">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure</td><td>:</td><td colspan="2"></td></tr>
<tr><td>Timeframe</td><td>:</td><td></td><td></td></tr>
</table>

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

Practice 5.3
The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

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

Application	:	Applied
Explanation on application of the practice	:	Currently, the Board does not have independent director(s) serving beyond nine (9) years. The Board adopted the concept of independence in tandem with the definition of the Independent Directors under Paragraph 1.01 and Guidance Note 9 of the ACE LR of Bursa Securities. 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. Currently, all four (4) Independent Directors satisfy the independence test under the ACE LR of Bursa Securities. In November 2025, 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 four (4) Independent Directors 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 four (4) Independent Directors have not been compromised or impaired in any way and were of the opinion that all four (4) Independent Directors will be in a position to continue to carry out their duties and responsibilities as an Independent Directors of the Company. 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. The Independent Directors constitute at least half of the current Board structure.

<table>
<tr><td>Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td></td><td colspan="2"></td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

Intended Outcome

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

Practice 5.4 - Step Up

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

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

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

Practice 5.5
Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

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

Application	:	Applied
Explanation on application of the practice	:	The Board acknowledges the importance of diversity to ensure the mix and profiles of the Board members, in terms of age, ethnicity and gender, the ability to provide the necessary range of perspectives, experiences and expertise required are well balanced in order 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. The last review conducted by the Board on the Diversity Policy was in February 2023 which is made available on the Company's website at www.haily.my. Currently, three (3) members of the Board are of the female gender, which represents 37.5% of the Board's composition. This is in compliance with Rule 15.02(1)(b) of the ACE LR of Bursa Securities which requires at least one (1) woman director on Board as well as Practice 5.9 of the MCCG for the Board to have at least 30% women Directors. <u>Appointment to the Board</u> 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 ("Directors") conform with the Company's Fit and Proper Person Policy and 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. 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. The Board had established and adopted a Fit and Proper Person Policy to ensure that the Board's quality and integrity is maintained and up to expectations. It also serves as guidance for the appointment, re-

	election of Directors and the appointment of key management personnel to carry out their responsibilities with full competence, character, diligence, integrity and judgement. The main objective of this 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. The Company's Fit and Proper Person Policy is made available on the Company's website at www.haily.my. The Company has a formal and transparent procedure established for the appointment of new director to the Board. The procedures for the appointment of new Directors are made available on the Company's website at www.haily.my. The NC is responsible for assessing and recommending suitable candidate for directorship to the Board, leveraging on several sources such as recommendation from existing Board Members, Senior Management, substantial shareholders, business associates and referrals from third party consultants and independent sources such as professional bodies and organisation to gain access to wide pool of potential candidates, based on the profile and background of the candidate(s). The NC is mindful of the importance of succession planning for the members of the Board and Senior Management including formalising its stand and approach to boardroom diversity. NC will where practicable, maintain a database of suitable and potential candidates for meeting the roles identified.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

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

Practice 5.6
In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

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

Application	:	Applied
Explanation on application of the practice	:	The Board is 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. 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. The NC is entrusted with the responsibility to review, propose and recommend the appointment of potential new Directors after taking into consideration the current and future needs of the Company. 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 recommendation to the Board on the need to increase the Board size, the composition, the necessary skills, calibre and experience required and where applicable the potential candidates for appointment. The NC will where practical, maintain a database of potential candidates. Potential candidates can be sourced from: - existing Directors and substantial shareholders of the Company - existing Senior Management employees - professional bodies and organisations - business associates, shareholders - other independent sources

	The NC will ensure that the procedures for appointing new Directors are transparent and rigorous and that appointments are made on merits. The process for the appointment of a new Director is summarised in the sequence as follows: - a) The NC will identify suitable candidates from its available database or sources maintained taking into consideration the required skills, competencies, experience, the Company's Fit and Proper Person Policy and such other parameters as may be determined by the Board. b) The chairman of the NC, CEO and/or EDs will meet with the identified candidates to assess/reassess their suitability for appointment. c) The identified candidate if cleared by the NC will then be recommended to the Board for an appointment. d) Prior to their appointment, the identified candidates will be invited to an introductory meeting with the Board, for the Board to assess and evaluate such candidates. e) Subsequent or further meetings with the candidates may be arranged to the satisfaction of the Board, should the need arise. f) The discretion to accept or reject a candidate rest with the Board.
Explanation for departure :	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.	
Measure :	
Timeframe :	

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

Practice 5.7
The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application :	Applied
Explanation on application of the practice :	The profiles of Directors are published in the Annual Report 2025 and on the Company's 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. The re-election of Directors provides an opportunity for shareholders to renew their mandate conferred to the Directors. The following Directors will be due for retirement at the Sixth ("6th") Annual General Meeting ("AGM") and being eligible have offered themselves for re-election: - 1. Mr See Tin Hai, retiring under Clause 133; 2. Mr Tan Sui Huat, retiring under Clause 133; and 3. Ms Poh Boon Huwi, retiring under Clause 133. 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. With regards to the re-election of Mr See Tin Hai ("Mr See"), Mr Tan Sui Huat ("Mr Tan") and Ms Poh Boon Huwi ("Ms Poh"), the following observations were shared by the NC: - 1. Mr See fulfilled with 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 earlier 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 See 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. 2. Mr Tan fulfilled with 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 earlier 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 Tan 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 Tan's independence has not been compromised or impaired in any way and was of the opinion that Mr Tan will be in a position to continue to carry out his duties and responsibilities as an Independent Director of the Company. 3. Ms Poh fulfilled with 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 earlier 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 Ms Poh has performed and discharged her 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 her performance as the Chairman of the RC and had concluded that Ms Poh's independence has not been compromised or impaired in any way and was of the opinion that Ms Poh will be in a position to continue to carry out her duties and responsibilities as an Independent Director of the Company. The Board taking into consideration of the NC's recommendation, resolved to recommend to the shareholders for the re-election of Mr See Tin Hai, Mr Tan Sui Huat and Ms Poh Boon Huwi at the forthcoming 6th AGM of the Company.
Explanation for departure :	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.	
Measure :	

Timeframe :		

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

Practice 5.8
The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied	
Explanation on application of the practice	:	The NC of the Company is chaired by the Senior Independent Non-Executive Director ("SID"), Mr Tan Sui Huat and comprised exclusively of INEDs as follows: **Chairman** TAN SUI HUAT *Senior Independent Non-Executive Director* **Members** ONG KHENG SWEE *Independent Non-Executive Director* POH BOON HUWI *Independent Non-Executive Director* The specific responsibilities of the SID are as set out in Section 6 of the Board Charter and the primary responsibilities of the NC are set out in detail in its TOR, both of which are made available on Haily's website at www.haily.my.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

Practice 5.9
The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	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 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. Currently, three (3) members of the Board are of the female gender, which represents 37.5% of the Board's composition. This is in compliance with Rule 15.02(1)(b) of the ACE LR of Bursa Securities which requires at least one (1) woman director on Board as well as Practice 5.9 of the MCCG for the Board to have at least 30% women Directors.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

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

Application	:	Applied	
Explanation on application of the practice	:	The Board had adopted a Diversity Policy which was last reviewed and approved by the Board in February 2023 which is made available on the Company's website at www.haily.my. The Board currently includes three (3) women Directors.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

Practice 6.1
The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

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

Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.		
Application	:	Applied
Explanation on application of the practice	:	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. The Board evaluation process is carried out by way of peer assessment, in the form of evaluation questionnaires completed, reviewed and deliberated by the NC before its findings and recommendations were tabled to the Board. The NC reviews the Board Composition in terms of appropriate size, required mix of skills, experiences and other qualities, including core competencies and adequacy of balance between EDs and INEDs. As part of the annual assessment of the individual Directors, the NC will review the professionalism, integrity, honesty, competency, time commitment, contribution and performance and ensure no conflict of interest arises that would impair their ability to represent the interest of the Company's Shareholders and stakeholders and to fulfil the responsibilities of a director. The evaluation of the Performance of Chairman of the Board, the Chairman of the ARMC, NC, RC and the Senior Independent Non-Executive Director was also conducted during the scheduled meeting of NC. Each Director had abstained from the deliberation of their own evaluation. During the year, the NC also carried out the following activities: - i. reviewed the Board's size, structure and composition and is of the view that the current mix of skills, competence, knowledge and experience and qualities of the existing Board members are appropriate to enable the Board to carry out its responsibilities effectively and ensures accountability.

	ii. evaluated and assessed the performance and effectiveness of the Board as a whole and Board's Committees. Based on the results of the assessment, the NC was of the opinion that the Board's dynamics are healthy and effective. The present members of the Board possess the appropriate skills, knowledge, experience and qualities to steer the Company forward. The NC was also satisfied that each of the members of the respective Committees and the respective Committees as a whole had carried out their duties in accordance with their respective TOR. iii. the evaluation of the performance of the 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 from the deliberation of their own evaluation. Based on the result of the assessment, the NC was satisfied that the Chairman of the Board as well as the Chairman of the ARMC, NC and RC had provided leadership, encouraged active participation and allowed dissenting views to be freely expressed and managed the interface between the relevant parties at their respective meeting. iv. 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. v. evaluated and assessed the independence of the Independent Directors in accordance with the process approved and adopted by the Board. The NC concluded that the independence of all four (4) Independent Directors have not been compromised or impaired in any way and were of the opinion that all four (4) Independent Directors will be in a position to continue to carry out their duties and responsibilities as an Independent Directors of the Company. Each of the Independent Director had abstained from the deliberation of their own independence during the evaluation. vi. reviewed the TOR for the NC before recommending to the Board for approval.
Explanation for departure :	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.	
Measure :	

Timeframe :		

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

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

Practice 7.1
The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application :	Applied
Explanation on application of the practice :	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. 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. The Board had formalised and adopted a Remuneration Policy for the Board and Senior Management to attract and retain the Directors and Senior Management required to lead and control the Group effectively. In the case of EDs and Senior Management, the components of the remuneration package are linked to corporate and individual performance. For Non-Executive Directors, the level of remuneration is reflective of their experience and level of responsibilities. The Remuneration Policy Framework on Remuneration of Directors and Senior Management is made available on Haily's website at www.haily.my.
Explanation for departure :	

<table>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

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.

<table>
<tr><td>Application :</td><td colspan="2">Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2">The RC comprised exclusively of INEDs as follows: -

Chairman
POH BOON HUWI
Independent Non-Executive Director

Members
ONG KHENG SWEE
Independent Non-Executive Director

TAN SUI HUAT
Senior Independent Non-Executive Director

The primary responsibilities of the RC are set out in details in its TOR which is made available on the Company's website at www.haily.my.

The Board is satisfied that the RC has effectively and efficiently discharged its roles and responsibilities in accordance with its TOR.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	In line with CG best practice, the details of the remuneration and benefits paid to the Directors of the Company and the Group for services rendered in all capacities for the FYE 2025 on a named basis are tabulated as follows.

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	Haji Mohd Jaffar Bin Awang (Ismail)	Independent Director	66.00	0	0	0	0	0	66.00	66.00	0	0	0	0	0	66.00
2	See Tin Hai	Executive Director	0	0	0	0	0	0	0	0	96.00	576.00	48.00	22.97	0	742.97
3	Yoong Woei Yeh	Executive Director	0	0	0	0	0	0	0	0	96.00	576.00	48.00	23.95	0	743.95
4	See Swee Ling	Executive Director	0	0	0	0	0	0	0	0	0	468.00	39.00	9.90	0	516.90
5	See Cul Wei	Executive Director	0	0	0	0	0	0	0	0	0	240.00	20.00	7.16	0	267.16
6	Tan Sui Huat	Independent Director	62.22	0	0	0	0	0	62.22	62.22	0	0	0	0	0	62.22
7	Ong Kheng Swee	Independent Director	62.22	0	0	0	0	0	62.22	62.22	0	0	0	0	0	62.22
8	Poh Boon Huwi	Independent Director	62.22	0	0	0	0	0	62.22	62.22	0	0	0	0	0	62.22
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

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

Practice 8.2
The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application :	Not applicable – adopted Step Up 8.3	
Explanation on application of the practice :		
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

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

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

Practice 8.3 - Step Up
Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

<table>
<tr><td>Application :</td><td>Adopted</td></tr>
<tr><td>Explanation on adoption of the practice :</td><td>In line with CG best practice, the details of the remuneration and benefits paid to the Key Senior Management for services rendered to the Group in all capacities for the FYE 2025 on a named basis is as follows:

<table>
<tr><td>Name</td><td>Position</td><td>Salary RM'000</td><td>Bonus RM'000</td><td>Benefits-in-kind RM'000</td><td>Total RM'000</td></tr>
<tr><td>Long Cheow Siong</td><td>Chief Financial Officer ("CFO") (Jan 2025 – Sept 2025)</td><td>214.90</td><td>21.00</td><td>0</td><td>235.90</td></tr>
<tr><td>Yap Yoong Fah</td><td>Chief Financial Officer ("CFO") (Sept 2025 – Dec 2025)</td><td>72.60</td><td>0</td><td>0</td><td>72.60</td></tr>
<tr><td>Lim Kok Siang</td><td>Chief Operating Officer ("COO")</td><td>240.00</td><td>20.00</td><td>5.3</td><td>265.30</td></tr>
</table>
</td></tr>
</table>

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Long Cheow Siong	CFO	0	0	0	0	0	0
2	Yap Yoong Fah	CFO	0	0	0	0	0	0
3	Lim Kok Siang	COO	0	0	0	0	0	0
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome
There is an effective and independent Audit Committee.

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

Practice 9.1
The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied	
Explanation on application of the practice	:	The Company's ARMC is chaired by Mr Ong Kheng Swee who is a member of Malaysian Institute of Accountants. The Chairman of the Board is Haji Mohd Jaffar Bin Awang (Ismail). 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. The detailed TOR of the ARMC outlining the composition, duties and functions, authority and procedures of the ARMC are made available on Company's website at www.haily.my.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
There is an effective and independent Audit Committee.

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

Practice 9.2
The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied	
Explanation on application of the practice	:	The independence, objectivity and integrity of the members of the ARMC are the key requirements which the Board of Haily recognises as essential for an effective and independent ARMC. None of the members of the Board were former key audit partners. As a measure to safeguard the independence and objectivity of the audit process, the ARMC's TOR incorporated a policy stipulation that governs the appointment of a former key audit partner to the ARMC. The policy, which is codified in the ARMC's TOR, requires a former key audit partner to observe a cooling-off period of at least three (3) years before he can be considered for appointment as a member of ARMC.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
There is an effective and independent Audit Committee.

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

Practice 9.3
The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	The ARMC has adopted a procedure to assess the suitability, objectivity and independence of the External Auditors. In assessing the suitability, objectivity, and independence of the external auditors, the ARMC would consider the information presented in the Annual Transparency Report of the audit firm. The ARMC carried out the assessment of the performance, suitability, objectivity and independence of Baker Tilly Monteiro Heng PLT ("BTMH"), based on an assessment questionnaire which took into consideration assessment criteria such as the quality of services, sufficiency of resources, adequate resources and trained professional staff assigned to the audit, timing for fieldwork and delivery of reports, working relationship with Management. BTMH also declared their independence to the ARMC and indicated their willingness to continue office for the next financial year. The ARMC is satisfied with the independence, performance and suitability of BTMH based on the assessment and recommended to the Board for approval of the re-appointment of BTMH as Auditors of the Company for the financial year ending 31 December 2026 ("FYE 2026"). The Board at its meeting held on 31 March 2026, approved the ARMC's recommendation, to re-appoint BTMH as Auditors of the Company for the FYE 2026, subject to the shareholders' approval to be sought at the forthcoming 6th AGM.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	

Timeframe :		

Intended Outcome
There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up
The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The ARMC comprised exclusively of Independent Non-Executive Directors as follows: - **Chairman** ONG KHENG SWEE *Independent Non-Executive Director* **Members** TAN SUI HUAT *Senior Independent Non-Executive Director* POH BOON HUWI *Independent Non-Executive Director*

Intended Outcome
There is an effective and independent Audit Committee.

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

Practice 9.5
Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

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

Application	:	Applied
Explanation on application of the practice	:	The composition of the ARMC is as stated under Practice 9.4 above. Collectively, the ARMC possesses a wide range of necessary skills to discharge its duties. All ARMC members are financially literate., whilst the Chairman of the ARMC and a member of the ARMC are Chartered Accountant by profession and a member of the Malaysian Institute of Accountants (MIA) and thus, fulfilling Rule 15.09(1)(c) of ACE LR of Bursa Securities, which requires at least one member of the ARMC to be a member of a professional accountancy body. The profiles of all the members of the ARMC are disclosed in the Directors' Profiles of the Annual Report 2025. 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 2025. During the ARMC Meetings, the members were briefed by the External Auditor, Messrs Baker Tilly Monteiro Heng PLT on the Accounting Standard Update covering new Malaysian Financial Reporting Standards ("MFRS") adopted and amendments/improvements to MFRSs that have been issued, but yet to be effective.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		

Measure :		
Timeframe :		

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

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

Practice 10.1
The board should establish an effective risk management and internal control framework.

Application	:	Applied	
Explanation on application of the practice	:	The risk management and internal control framework with policies to identify, evaluate and manage the principal risk of the Group's business is overseen by the SRMC which is chaired and jointly led by the CEO and an ED. The members of the SRMC comprises of certain EDs, CFO, COO and head of departments. The SRMC reports to the ARMC before matters are escalated to the Board. During the financial year under review, the SRMC conducted a review and assessment on the Registry of Risk and Risk Matrix, thereafter presented to the ARMC with the revised Registry of Risk and Risk Matrix for ARMC's consideration and deliberation. The existing strategic, governance and key operational risks as well as opportunities were reviewed with emerging risks and opportunities assessed and incorporated into the Registry of Risk and Risk Matrix for ongoing risk and opportunities monitoring and assessment, after taken into consideration of the internal audit findings and recommendation. The areas covered by the outsourced internal audit function were summarised in the Audit and Risk Management Committee Report of the Annual Report 2025. 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 2025.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

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

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

Practice 10.2
The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied
Explanation on application of the practice	:	The Board delegates the duty of identification, assessment and management of key business risks and opportunities to the SRMC, jointly led by the CEO and an ED while the ARMC, through its TOR approved by the Board, is delegated with the duty to review the adequacy and effectiveness of risk management and internal control system of the Group and to provide assurance to the Board on the adequacy and effectiveness of such risk management and internal control system. Through the ARMC, the Board is kept informed on all significant risks and control issues brought to the attention of the ARMC by the SRMC, Management, the outsourced internal audit function and the External Auditors. The Board had put in place a formal Risk Management Handbook, as the governance structure, framework and processes for the enterprise-wide risk management, in order to embed the risk management practice into all levels of the Group and to manage key business risks faced by the Group as well as to optimise key business opportunities available to the Group adequately and effectively as second-line-of-defence. The duties for the identification, evaluation and management of the key business risks and opportunities are delegated to the SRMC which consist of the CEO, certain EDs, CFO, COO and head of departments. The principles, practices and processes of the Risk Management Handbook established by the Board are, in all material aspects, guided by the Committee of Sponsoring Organizations of the Treadway Commission's ("COSO") Enterprise Risk Management Framework released in 2017 titled "Enterprise Risk Management – Integrating with Strategy and Performance".
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		

Measure :		
Timeframe :		

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

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

Practice 10.3 - Step Up
The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application :	Not Adopted
Explanation on adoption of the practice :	

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

Practice 11.1
The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application :	Applied
Explanation on application of the practice :	Haily's internal audit function is outsourced to an independent professional services firm, NeedsBridge Advisory Sdn Bhd, to assist the Board and ARMC in providing an independent assessment on the adequacy, efficiency and effectiveness of the Group's system on risk management and internal control. During the FYE 2025, the outsourced internal audit function carried out audits in accordance with the internal audit plan approved by the Board. The internal audit plan was developed taking into consideration the Group's Registry of Risk and other risk events identified by the internal audit function relevant to the audit objectives with the input from the Management. To support the ARMC in discharging their responsibilities and to uphold the professional firm's independence and objectivity, the outsourced internal audit function is reporting directly to the ARMC. The Management will also update the ARMC on the implementation status of the recommendations under the previous Internal Audit Report at the ARMC meetings. The ARMC carried out an assessment of the performance of the outsourced internal audit function by considering and reviewing the internal audit function's qualifications and experience, resources availability and competency, independence, scopes and functions of the internal audit function and collaboration with External Auditors. Further details of the internal audit activities are set out in the ARMC Report and Statement on Risk Management and Internal Control of the Company's Annual Report 2025.
Explanation for departure :	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.	
Measure :	

Timeframe :		

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

Practice 11.2
The board should disclose–
- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	Haily's internal audit function is outsourced to an independent professional firm, 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. To uphold the professional firm's independence and objectivity, the outsourced internal audit function reports directly to the ARMC. The audit engagement of the outsourced internal audit function is governed by the engagement letter and Internal Audit Charter approved by the Board during the financial year under review. 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 internal audits are carried out, in all material aspects, in accordance with the International Professional Practices Framework ("IPPF"), i.e. Mission, Core Principles for the Professional Practice of Internal Auditing, Code of Ethics and the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors Global. The engagement director, Mr. Pang Nam Ming, is a Certified Internal Auditor and has a Certification in Risk Management Assurance accredited by the Institute of Internal Auditors Global and a professional member of the Institute of Internal Auditors Malaysia. As a Certified Internal Auditor accredited by Institute of Internal Auditors, the engagement director is required to declare the compliance of the Standards to Institute of Internal Auditors during his renewal as Certified Internal Auditor. During the financial year under review, the resources allocated to the fieldworks of the internal audit by the outsourced internal audit function were at least one (1) senior consultant and at least one (1)

	consultant per one (1) engagement with oversight performed by the director.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

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

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

Practice 12.1
The board ensures there is effective, transparent and regular communication with its stakeholders.

Application :	Applied
Explanation on application of the practice :	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 even basis. The Board had 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 Board Corporate Disclosure Policy which the Board adopted: • To promote and elevate a high standard of integrity and transparency through timely comprehensive, accurate, quality and full disclosure. • To promote and maintain market integrity and investor confidence. • To exercise due diligence to ensure the veracity of the information being disseminated is factual, accurate, clear, timely and comprehensive. • To build good relationship with all stakeholders based on transparency, openness, trust and confidence. • To have in place efficient procedures for management of information, which promotes accountability for the disclosure of material information. The detailed Stakeholders Communication Policy and Board Corporate Disclosure Policy are made available on the Company's website at www.haily.my. Shareholders will receive regular communication from the Company through the release of quarterly reports to Bursa Securities and Annual Reports. In addition, the Company will communicate other information to the shareholders by way of announcement to Bursa Securities as and when necessary. Furthermore, the Company has established its

	corporate website as a channel of communication with its stakeholders, where relevant information such as Directors' profiles, Policies, Financial Highlights and Bursa announcement are accessible by the public at all times. Information on the corporate website is being updated from time to time. The AGM is the principal forum for dialogue and interaction with shareholders, where the Chairman highlights to shareholders and proxy holders, their right to speak up at general meetings and shareholders are encouraged to actively participate as well as the conduct of poll voting for all resolutions tabled at general meetings and a review of the performance of the Group during the AGMs. The contact information of the investor relation is made available on the Company's corporate website at www.haily.my.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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.

<table>
<tr><td>Application :</td><td colspan="2">Not applicable – Not a Large Company</td></tr>
<tr><td>Explanation on application of the practice :</td><td colspan="2"></td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td colspan="2"></td></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="3">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td colspan="2"></td></tr>
<tr><td>Timeframe :</td><td></td><td></td></tr>
</table>

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

Practice 13.1
Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application :	Applied	
Explanation on application of the practice :	The Notice convening the 5th AGM held on 28 May 2025 was issued on 29 April 2025, giving the shareholders at least 28 clear days' notice (exclude the day of sending the notice and the day of the meeting), well in advance of the 21 days requirement under the Act and the ACE LR of Bursa Securities, which allows sufficient time for shareholders to understand and consider the proposed resolutions tabled at the AGM. In addition, the notice outlines the resolutions to be tabled during the meeting is accompanied with relevant explanatory notes to provide clarity on the matters that will be decided at the AGM. Notification was sent to all members either by way of an e-mail or letter to inform members that the Notice of 5th AGM, Administrative Guide and Form of Proxy for the 5th AGM which was held on 28 May 2025 was made available on Haily's website at www.haily.my together with the Annual Report 2024 and Corporate Governance Report. Further, the Company had also announced the Notice of the 5th AGM via Bursa Link and published it in a national newspaper.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 13.2

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

Application :	Applied	
Explanation on application of the practice :	All Directors, including Chairman of the respective Board Committees attended the 5th AGM held on 28 May 2025 to interact directly with the Company's shareholders. The Management and the External Auditors were also present to answer any relevant shareholder's queries. During the question-and-answer session, the Chairman opened 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. The summary of key matter discussed, if any, will be published on the Company's website in accordance with the requirement of the ACE LR of Bursa Securities. The presence of all directors presented opportunities for the shareholders to engage with each Director and also allowed the shareholders to raise questions and concerns directly to the Directors.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

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

Practice 13.3
Listed companies should leverage technology to facilitate–
- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	Haily currently has 1,746 shareholders as at 24 March 2026 and its forthcoming 6th AGM will be held at No. 3339, Jalan Pekeliling Tanjung 27, Kawasan Perindustrian Indahpura, 81000 Kulai, Johor on 28 May 2026. As the number of shareholders are not overly large and the venue of the meeting place is easily accessible to all shareholders, the need to leverage and adopt the latest technology is not necessary at this juncture. In the event the shareholders are unable to attend the general meetings personally, such shareholder is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead. The Board also takes into consideration the joint statement issued by the Securities Commission and the Bursa Malaysia Securities Berhad dated 30 August 2024 where it was announced that all listed issuers must conduct hybrid or physical general meetings from 1 March 2025. The Board is of the opinion that a physical meeting with shareholders provides a better avenue for shareholders to interact with the Board, the Management and with other shareholders. Interactions at a physical level is more spontaneous and facilitates better communication, more meaningful sharing of views and gauging of feedback from shareholders.
		As regards to alternative practice please refer to explanation for departure above.
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		

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

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

Practice 13.4
The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<table>
<tr><td colspan="2">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.</td></tr>
<tr><td>Application :</td><td>Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td>All Directors, including members of ARMC, NC and RC, attended the 5th AGM held on 28 May 2025 to interact directly with the Company's shareholders. The Management and the External Auditors were also present to answer any relevant shareholder's queries.

The Chairman highlighted to shareholders and proxy holders, their right to speak up and shareholders are encouraged to actively participate as well as the conduct of poll voting for all resolutions tabled at the 5th AGM.

During the question-and-answer session, the Chairman opened 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.

The Board has a policy that the minutes of the AGM and other general meetings will be posted on the Company's website no later than 30 business days after the respective meeting as the case may be.

The presence of all directors presented opportunities for the shareholders to engage with each Director and also allowed the shareholders to raise questions and concerns directly to the Directors.</td></tr>
<tr><td rowspan="2">Explanation for departure :</td><td></td></tr>
<tr><td></td></tr>
<tr><td colspan="2">Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</td></tr>
<tr><td>Measure :</td><td></td></tr>
</table>

Timeframe :		

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

Practice 13.5
The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

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

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

Practice 13.6
Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.		
Application :	Applied	
Explanation on application of the practice :	The Minutes of the 5th AGM held on 28 May 2025 is made available on the Company's website within 30 business days after the 5th AGM.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

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

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

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