

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0320
COMPANY NAME : STEEL HAWK BERHAD
FINANCIAL YEAR : December 31, 2024

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors ("the Board") of Steel Hawk Berhad ("Steel Hawk" or "the Company") has overall responsibility over the Company and its subsidiary companies ("the Group") such as providing leadership and stewardship of the Group's direction and business operations and the enhancement of long-term shareholders' value.</p> <p>The Board had established a Board Charter, clearly stipulating the roles and responsibilities of the Board, which is available on the Company's website at https://www.steelhawk.com.my.</p> <p>To enable the Board to discharge its roles and responsibilities effectively, the Board established the following Board Committees and delegated specific responsibilities to them:-</p> <p>(a) Audit and Risk Management Committee ("ARMC"); (b) Nomination Committee ("NC"); and (c) Remuneration Committee ("RC").</p> <p>Terms of References for the respective Committees above had been established.</p> <p>Additionally, Board meetings are held on a quarterly basis to ensure the strategic direction of the Group continues to support long term value creation and to discharge the Board's duties and responsibilities.</p> <p>The Board adopted the following policies to govern the Group's culture and behaviour:-</p> <p>(a) Code of Conduct and Ethics; (b) Anti-Bribery and Corruption Policy; (c) Labour and Human Rights Policy; (d) Whistleblowing Policy; (e) Integrity Policy;</p>

	(f) Stakeholder Communication Policy; (g) Remuneration Policy; (h) Gender Diversity Policy; (i) Directors' Fit and Proper Policy; and (j) Conflict of Interest ("COI") Policy.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>Tan Sri Acryl Sani Bin Hj. Abdullah Sani ("Tan Sri Acryl Sani" or "the Chairman"), the Independent Non-Executive Chairman of the Board is primarily responsible for providing leadership to the Board, promoting the highest standards of integrity, probity and corporate governance as well as ensuring Board effectiveness.</p> <p>The Chairman's roles are set out in the Board Charter which is available on the Company's website at https://www.steelhawk.com.my, included but not limited to the following:-</p> <ul style="list-style-type: none">(a) setting the Board agenda and ensuring that Board members receive complete and accurate information in a timely manner;(b) leading the Board in establishing and monitoring good corporate governance practices in the Group;(c) leading Board meetings and discussions and acting as a facilitator at the Board and ensuring the appropriate level of interaction among Board members;(d) encouraging active participation at Board meetings and allowing dissenting views to be freely expressed;(e) promoting constructive and respectful relations between Directors and Officers of the Group, such as the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer, the Chief Integrity Officer or any other person(s) primarily responsible for the operations or financial management of the Group, as determined by the Board of the Group (also referred to as "Key Senior Management" or "KSM");(f) ensuring compliance with all relevant regulations and legislation; and(g) representing the Board to shareholders and ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.

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

Intended Outcome

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

Practice 1.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The positions of the Chairman of the Company and the Group Chief Executive Officer are held by different individuals with clear and distinct roles and responsibilities stated in the Board Charter of the Company to ensure a balance of power and authority between the two positions as well as to maintain effective supervision and accountability of the Board and Executive Management.</p> <p>The Board of the Company is chaired by Tan Sri Acryl Sani, who is the Independent Non-Executive Chairman whilst Encik Afizul Bin Md Yusoff, who was appointed as the Group Chief Executive Officer on 24 February 2025 following the redesignation of Encik Salimi Bin Khairuddin from the Group Chief Executive Officer to Executive Director of the Company. The redesignation was due to the internal reorganisation to expand the key management team of the Company.</p> <p>The Board Charter clearly stipulates that the Chairman and the Group Chief Executive Officer should be held by different individuals, with the detailed separated roles and responsibilities between the two positions, and is made available on the Company's website at https://www.steelhawk.com.my.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application	: Applied
Explanation on application of the practice	<p>The Chairman of the Board, Tan Sri Acryl Sani is not a member of any Board Committees of the Company and he does not participate in any Board Committees' meetings.</p> <p>The current composition of all Board Committees of the Company are as follows:-</p> <p>(a) ARMC</p> <ul style="list-style-type: none">(i) Chairperson – Puan Zariner Binti Ismail (“Puan Zariner”);(ii) Member – YM Tengku Saifan Rafhan Bin Tengku Putra (“YM Tengku Saifan Rafhan”); and(iii) Member – Puan Aznita Binti Abdul Aziz (“Puan Aznita”); <p>(b) NC</p> <ul style="list-style-type: none">(i) Chairperson – Puan Aznita;(ii) Member – YM Tengku Saifan Rafhan; and(iii) Member – Puan Zariner; <p>(c) RC</p> <ul style="list-style-type: none">(i) Chairman – YM Tengku Saifan Rafhan;(ii) Member – Puan Zariner; and(iii) Member – Puan Aznita.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:

Timeframe	:		
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Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company had engaged with the following qualified and competent external Company Secretaries from Tricor Corporate Services Sdn. Bhd. and all of them are members of the Malaysian Institute of Chartered Secretaries and Administrators:-</p> <p>(a) Ms Yap Siek Lee; (b) Ms Rebecca Kong Say Tsui (resigned on 27 March 2024); and (c) Ms Tan Lai Hong (appointed on 27 March 2024).</p> <p>The Company Secretaries play an advisory role to the Board, particularly with regard to the Constitution of the Company, policies and procedures of the Company and the Company's compliance with regulatory requirements, codes, guidance and legislation.</p> <p>The Company Secretaries attended the Board and Board Committees' meetings and ensures that such meetings are appropriately convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained at the registered office of the Company.</p> <p>All Board members of the Company have unrestricted access to the advice and services of the Company Secretaries for the purpose of the Board's affairs and the Company's business.</p> <p>The detailed roles and responsibilities of the Company Secretaries are set out in the Board Charter which is available on the Company's website at https://www.steelhawk.com.my.</p> <p>In addition to the roles and responsibilities set out in the Board Charter, the Company Secretaries also assisted in facilitating Board Effectiveness Assessment of the Board and Board Committees, Independent Directors, Individual Directors, the Board skills matrix as a whole for the financial year 2024.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>A pre-scheduled full year corporate calendar containing the dates of the Board and Board Committees' meetings and Annual General Meeting is circulated and confirmed by the Board at the beginning of each calendar year to provide ample time for the Directors to plan their schedule.</p> <p>All Board Committee meetings were conducted separately from the Board meeting to enable objective and independent discussion during each meeting. Management was invited to the meetings to assist the Board Committees for explanations on issues relating to the meeting agenda to facilitate the respective Board Committees in assessing the risk, providing suggestions for improvement, and making recommendations to the Board.</p> <p>Saved for the special meeting of the Board called in a shorter notice, the Notice of meetings, inclusive of the agenda item, and the board papers were circulated to the Board and/or the Board Committees within two to seven days prior to each meeting. Several board papers were delivered late to the Board as the respective presenters delivered the board papers late.</p> <p>The Company Secretaries distributed meeting minutes to the Board and to the respective Board Committees before the commencement of the next meeting respectively. The minutes of meeting document the resolutions passed by the Board or Board Committees, providing justifications for the decisions made, highlighting fundamental and key points of deliberations and any dissenting views or abstentions with reasons by Directors. Besides, suggestions for improvements and action items to be carried out by the Management were also being included in the minutes and recorded as "Matters Arising", which would then be carried forward to the next meeting until it is completed or such matter being closed. With this, ongoing tasks and responsibilities would be appropriately tracked and addressed.</p> <p>Management will ensure the meeting materials and notice to the meeting are furnished to the Board and Board Committees members at</p>

	least five business days in advance of each meeting. Exceptions require unanimous Board or Board Committees’ consent to a shorter notice period and elapsed timeframe for the provision of meeting materials.	
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 demarcation of responsibilities between the board, board committees and management.

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has a formalised Board Charter which sets out the respective roles and responsibilities of the Board, Board Committees, individual Directors and Executive Management in upholding sound corporate governance standards and practices. The Board Charter also stipulates the matters reserved for the Board, such as financial reporting, risk management and internal control system, remuneration of Directors, induction and training for Directors, general meetings, as well as investor relations and shareholder communication.</p> <p>The Board Charter would be periodically reviewed and updated, as and when necessary, to ensure that it remained relevant and consistent with the Board's objective, current law and best practices to enable the Board to discharge its responsibilities.</p> <p>The Board Charter is available for reference on the Company's website at https://www.steelhawk.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board adopted a Code of Conduct and Ethics to provide professional and ethical guidelines for the Directors and employees of the Company with the aim to establish, maintain and enhance the reputation, image and branding of the Company as well as display the highest level of professionalism in all aspects of their tasks. The Code of Conduct and Ethics shall apply to every employee, contract staff, Director and Officer of the Group.</p> <p>The Company had also established a COI Policy in order to identify and manage any potential and perceived conflicts of interest that may arise in the Group and procedures are clearly disclosed in the said Policy.</p> <p>The Code of Conduct and Ethics and COI Policy are available for reference on the Company's website at https://www.steelhawk.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company is committed to the highest standard of integrity, openness and accountability in the conduct of its businesses and operations and aspires to conduct its affairs in an ethical, responsible and transparent manner. Hence, the Company has in place a Whistleblowing Policy to provide an avenue for all its employees and members of the public to disclose any improper conduct in accordance with the Whistleblowing procedure as well as to provide protection for them who report such allegations.</p> <p>Stakeholders may submit reports through designated channels as stated in the Whistleblowing procedure, to the Whistleblowing Committee for investigation independently and necessary action.</p> <p>The Whistleblowing Policy and Whistleblowing procedure are available on the Company's website at https://www.steelhawk.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board is responsible for reviewing and setting a strategic plan for the Group to ensure that the strategic plan of the Group supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability. The Board oversees the Group’s overall sustainability performance</p> <p>The material sustainability matters were identified and reviewed by the Board before disclosing the same in the Company’s Sustainability Statement for the year 2023 dated 20 March 2024, which is available on the Company’s website at https://www.steelhawk.com.my.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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 Company's sustainability, strategies, priorities, targets and performance was communicated to its internal and external stakeholders via the Company's Sustainability Statement. The details on the importance of each of the Company's stakeholders and how the Company engaged and addressed their needs and concerns are set out in the Company's Sustainability Statement for the year 2023 dated 20 March 2024, which is available on the Company's website at https://www.steelhawk.com.my .	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board are provided with the opportunity for relevant training programmes on an ongoing basis in industry-related areas for them to keep abreast of the latest developments in the industry, thereby strengthening the Board’s competencies in staying abreast including but not limited to understanding the sustainability, corporate governance, risk management and strategic issues relevant to the Company and its business.</p> <p>Besides, the Directors had attended seminars and courses organized by professional bodies and regulatory authorities, as well as those conducted in-house, details of which were as published in the Annual Report 2024.</p> <p>The Company’s sustainability strategies have been instrumental in providing direction for the planning and implementing sustainability initiatives within the Group. The NC had assessed the Board’s skills matrix composition and was satisfied that the current board leadership is capable of oversight of sustainability issues and tackle sustainability risks and opportunities.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The NC had evaluated and reviewed the performance of the Board in addressing the Group’s material sustainability risks and opportunities during the annual Board Performance Assessment for the year 2024.</p> <p>The Board ensures that the remuneration packages for Directors and KSM taking into consideration the complexity of the Group’s business and the individual’s responsibilities and performance, comparable market statistics, and their roles in addressing the Company’s material sustainability risks and opportunities and achieving sustainability targets.</p> <p>The details of the Group’s key sustainability outcomes and achievements are available in our Sustainability Statement 2024.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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	:	<p>Encik Alias Bin Anuar, the Group Chief Operating Officer has been assigned to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operation of the Company.</p> <p>He also monitors key ESG regulatory developments, ensures alignment and provides updates to the Deputy Chairman/ Executive Director and the Board on sustainability related matters, risks and areas of concern as identified from time to time.</p>

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board, through the NC, will ensure that the Board has the right composition of individuals with an appropriate mix of skills, knowledge, experience and independency to achieve the Company's objectives and strategic goals at all times. The NC assists the Board on nomination and appointment of Director and Board Committees' member to ensure having the right group of people, with an appropriate mix of skills, knowledge, experience and independency that fit the Group's objectives and strategic goals.</p> <p>On 1 November 2024, the Board, through the NC, reviewed the suitability of a candidate, Puan Aznita prior to her appointment to the Board, by taking into consideration her skills, expertise, knowledge, competence, character, integrity, experience, reputation, educational background and time commitment to ensure they were in line with the Group's business operations and the Board's needs. Saved for the abovementioned, the Board, through the NC, also considered the following:-</p> <ul style="list-style-type: none">(a) The candidate's independence (for the appointment of Independent Non-Executive Director);(b) The composition requirements for the Board and Board Committees;(c) The assessment of Fit and Proper Policy; and(d) Time commitments to the Company, such as her directorship in any other public listed companies. <p>The NC also ensures that the Directors, who are to be appointed and the Retiring Directors, who are seeking re-election, meet the fit and proper criteria as set out in the Company's Fit and Proper Policy, before their appointment or re-election. It also assured that they possess the required character, experience, integrity, competence, and time to effectively carry out their duties as Directors.</p> <p>In addition, the NC, assisted by the Company Secretaries, conducted a comprehensive Board Effectiveness Assessment for the financial year</p>

	<p>ended 31 December 2024, encompassing the Board as a whole, Board Committees, individual Directors, and confirmation of independence of all Independent Directors. The questionnaires were distributed to the Board and Board Committees for completion. Subsequently, the Company Secretaries presented a summary report and the assessment results at the NC meeting held on 21 February 2025 for the NC's review and deliberation before presenting the same to the Board for notation. The NC and the Board were satisfied with the current board composition.</p> <p>The NC will continue to review the Board's performance including performance evaluation of Directors and assessment of Independent Directors on yearly basis, to ensure that the Board is functioning effectively and progressively.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.2

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

Application	:	Applied											
Explanation on application of the practice	:	The Board currently comprises six members, four of which are Independent Non-Executive Directors. They are:-											
		<table border="1"><tr><th>Name</th><th>Designation</th></tr><tr><td>Tan Sri Acryl Sani</td><td>Independent Non-Executive Chairman</td></tr><tr><td>YM Tengku Saifan Rafhan</td><td>Independent Non-Executive Director</td></tr><tr><td>Puan Zariner</td><td>Independent Non-Executive Director</td></tr><tr><td>Puan Aznita</td><td>Independent Non-Executive Director</td></tr></table>	Name	Designation	Tan Sri Acryl Sani	Independent Non-Executive Chairman	YM Tengku Saifan Rafhan	Independent Non-Executive Director	Puan Zariner	Independent Non-Executive Director	Puan Aznita	Independent Non-Executive Director	
	Name	Designation											
	Tan Sri Acryl Sani	Independent Non-Executive Chairman											
	YM Tengku Saifan Rafhan	Independent Non-Executive Director											
	Puan Zariner	Independent Non-Executive Director											
Puan Aznita	Independent Non-Executive Director												
	All the four Independent Non-Executive Directors satisfied the independence test under the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and they constituted 66.67% of the Board.												
Explanation for departure	:												
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>													
Measure	:												
Timeframe	:												

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied											
Explanation on application of the practice	:	<p>None of the existing Independent Directors whose tenure exceeds a cumulative term limit of nine years in the Company.</p> <p>The tenure of all Independent Directors is as follow:-</p> <table border="1"><thead><tr><th>Name</th><th>Cumulative Term of Office</th></tr></thead><tbody><tr><td>Tan Sri Acryl Sani</td><td>1.5 year</td></tr><tr><td>YM Tengku Saifan Rafhan</td><td>1.5 year</td></tr><tr><td>Puan Zariner</td><td>1.5 year</td></tr><tr><td>Puan Aznita</td><td>< 1 year</td></tr></tbody></table> <p>The Board Charter stipulates that Independent Director who has served the Board for a cumulative period of more than nine years may continue to serve on the Board as a Non-Independent Director subject to annual shareholders' approval through a two-tier voting process.</p>		Name	Cumulative Term of Office	Tan Sri Acryl Sani	1.5 year	YM Tengku Saifan Rafhan	1.5 year	Puan Zariner	1.5 year	Puan Aznita	< 1 year
Name	Cumulative Term of Office												
Tan Sri Acryl Sani	1.5 year												
YM Tengku Saifan Rafhan	1.5 year												
Puan Zariner	1.5 year												
Puan Aznita	< 1 year												
Explanation for departure	:												
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>													
Measure	:												
Timeframe	:												

Intended Outcome

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

Practice 5.4 - Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied																																							
Explanation on application of the practice	:	<p>The Board is committed to ensure that the Directors of the Company possess a balance of skills, diversity, expertise, experience from different backgrounds. In the selection of a suitable candidate for the directorship, the Board through the NC will consider the Board composition and the candidates’ competence, experience, character, integrity and time to effectively discharge his/her role as a Director.</p> <p>In addition, the Company had adopted a Directors’ Fit and Proper Policy, serving as a guide for the NC’s assessment of potential candidates, who are to be appointed to the Board as well as the retiring Directors, who are seeking re-election.</p> <p>As for KSM, the Board is committed to provide fair and equal opportunities for all persons, regardless of age, gender, ethnicity, cultural background or other factors, with the appropriate experience and qualifications, during recruitment, promotion, remuneration and training.</p> <p>As at 31 December 2024, the Board and the top five KSM comprised of the following:-</p> <table><tr><th colspan="2"></th><th>No. of Directors</th><th>No. of KSM</th></tr><tr><td rowspan="2">Race/Ethnicity</td><td>Malay</td><td>5</td><td>2</td></tr><tr><td>Indian</td><td>1</td><td>3</td></tr><tr><td colspan="2"></td><td></td><td></td></tr><tr><td rowspan="2">Gender</td><td>Male</td><td>4</td><td>3</td></tr><tr><td>Female</td><td>2</td><td>2</td></tr><tr><td colspan="2"></td><td></td><td></td></tr><tr><td rowspan="4">Age Group</td><td>30-39 years</td><td>1</td><td>3</td></tr><tr><td>40-49 years</td><td>2</td><td>1</td></tr><tr><td>50-59 years</td><td>2</td><td>0</td></tr><tr><td>60 years and above</td><td>1</td><td>1</td></tr></table>			No. of Directors	No. of KSM	Race/Ethnicity	Malay	5	2	Indian	1	3					Gender	Male	4	3	Female	2	2					Age Group	30-39 years	1	3	40-49 years	2	1	50-59 years	2	0	60 years and above	1	1
		No. of Directors	No. of KSM																																						
Race/Ethnicity	Malay	5	2																																						
	Indian	1	3																																						
Gender	Male	4	3																																						
	Female	2	2																																						
Age Group	30-39 years	1	3																																						
	40-49 years	2	1																																						
	50-59 years	2	0																																						
	60 years and above	1	1																																						

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

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>On 1 November 2024, the Board, through the NC, reviewed the suitability of a candidate, Puan Aznita, who was proposed by a former Director of the Company, prior to her appointment to the Board, by taking into consideration her skills, expertise, knowledge, competence, character, integrity, experience, reputation, educational background and time commitment to ensure they were in line with the Group's business operations and the Board's needs. Saved for the abovementioned, the Board, through the NC, also considered the following:-</p> <ul style="list-style-type: none">(a) The candidate's independence (for the appointment of Independent Non-Executive Director);(b) The composition requirements for the Board and Board Committees;(c) The assessment of Fit and Proper Policy; and(d) Time commitments to the Company, such as her directorship in any other public listed companies. <p>Selection of potential candidates is facilitated through recommendation from the independent sources, existing Directors or major shareholder according to the circumstances and needs that arise. The NC does not solely rely on recommendations from any existing Directors, Management or major shareholders, but will also utilise independent sources to identify suitable qualified candidates.</p> <p>If a candidate is selected solely based on recommendations made by existing Directors, Management or major shareholders, the NC would provide explanation on why other sources were not used before recommending it to the Board for approval.</p>

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

Intended Outcome

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board had provided a statement to support the re-election of the following Directors who will be retiring at the forthcoming 4th Annual General Meeting ("AGM") in accordance with the Company's Constitution, in the Explanatory Notes to the Notice of 4th AGM:-</p> <p>(a) Dato' Sharman Kristy A/L Michael; (b) Encik Salimi Bin Khairuddin; and (c) Puan Aznita.</p> <p>The profiles of the abovementioned Directors, who are standing for re-election as Directors of the Company at the forthcoming 4th AGM, are set out in the Annual Report 2024, on pages 14, 15, 16 and 20.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The NC is chaired by Puan Zariner, an Independent Non-Executive Director, who has over 30 years of experience in various accounting and financial management positions.	
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	:	<p>The current Board comprises 33.33% women Directors, which are two out of the six Board members.</p> <p>The Board Charter clearly stipulates that the Board should comprise 30% women Directors to maintain a balanced Board composition in line with this Practice, a copy of which is available on the Company’s website at https://www.steelhawk.com.my.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board had adopted a Gender Diversity Policy for its Board in accordance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, a copy of which is available on the Company's website at https://www.steelhawk.com.my . However, the Board does not set any specific gender diversity target for KSM in the said Policy to which, the Board, through the NC, will always evaluate and match the criteria of the candidate to the KSM based on individual merits, experience, skill, competency, knowledge and etc.	
		The Board acknowledges that diversity in the management level by having female representation at the management level which could potentially be a pipeline for future candidates to be appointed as Senior Management. During employee recruitment process, the Board, through the NC, will consider women candidates for any KSM positions if there are suitable candidates with relevant skills, competence, knowledge, experience and etc fitting such positions.	
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.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>		
Application	:	Applied
Explanation on application of the practice	:	<p>The Company had engaged Tricor Corporate Services Sdn. Bhd., its external company secretarial agent to conduct the Board Effectiveness Assessment to assess the effectiveness of the Board as a whole, the Board Committees and the contribution of each Individual Director, for the financial year ended 31 December 2024.</p> <p>The Company Secretaries distributed the Questionnaires to the Board and Board Committees for completion and gathered feedback from them. Subsequently, the Company Secretaries presented a summary report and the assessment results at the NC meeting held on 21 February 2025 for the NC's review and deliberation before presenting the same to the Board for notation. The NC and the Board were satisfied with the assessment results and acknowledged that the current Board had the right size and composition, with an appropriate mix of skills, knowledge, experience, and independence.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has adopted a Remuneration Policy, which formalised its approach in determining the remuneration package which takes into account the demands, complexities and performance as well as skills and experience of the Directors and the Officers of the Group, such as the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer, the Chief Integrity Officer or any other person(s) primarily responsible for the operations or financial management of the Group, as determined by the Board of the Group (also known as KSM).</p> <p>This policy is designed to support the Company’s key strategies, create a strong performance-oriented environment which is able to attract, motivate and/or retain talents of high calibre.</p> <p>This policy is available on the Company’s website at https://www.steelhawk.com.my.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The RC was established to assist the Board mainly in the following areas:-</p> <p>(a) Recommend to the Board the remuneration package of all Directors and the Officers of the Group, such as the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer, the Chief Integrity Officer or any other person(s) primarily responsible for the operations or financial management of the Group, as determined by the Board of the Group (also known as KSM) to attract, retain and motivate them; and</p> <p>(b) Recommend the engagement of external professional advisors to assist and/or advise the RC, on remuneration matters, as and when necessary.</p> <p>Full details of the duties and responsibilities of the RC are set out in its Terms of Reference which is available on the Company's website at https://www.steelhawk.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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	:	The detailed disclosure of the remuneration breakdown of each Director of the Company during the financial year ended 31 December 2024 are set out in the table below.

No	Name	Directorate	Company (RM '000)							Group (RM '000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Tan Sri Acryl Sani	Independent Director	144	-	-	-	-	12	156	144	-	-	-	-	12	156
2	Dato' Sharman Kristy A/L Michael ("Dato' Sharman")	Executive Director	120	-	-	-	-	8	128	120	-	565	-	28	8	721
3	Encik Salimi Bin Khairuddin ("Encik Salimi")	Executive Director	48	-	-	-	-	7	55	48	-	66	-	15	7	136
4	YM Tengku Saifan Rafhan	Independent Director	48	-	-	-	-	10	58	48	-	-	-	-	10	58
5	Puan Zariner	Independent Director	48	-	-	-	-	9	57	48	-	-	-	-	9	57
6	Puan Haslinda (Resigned on 30 September 2024)	Independent Director	45	-	-	-	-	10	55	45	-	-	-	-	10	55
7	Puan Aznita (Appointed on 1 November 2024)	Independent Director	10	-	-	-	-	1	11	10	-	-	-	-	1	11

Intended Outcome

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

Practice 8.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>As at 31 December 2024, the top 5 KSM of the Company are as follows:-</p> <ul style="list-style-type: none">(1) Dato' Sharman, Deputy Chairman/Executive Director;(2) Encik Salimi, Executive Director/Chief Executive Officer;(3) Encik Khairul Nazri Bin Kamarudin, Chief Operating Officer;(4) Datin Annie A/P V Sinniah, Human Resources and Administration Director; and(5) Ms Vinthra A/P Vijayakumar, Chief Financial Officer. <p>Saved for the detailed remuneration of the two Executive Directors, namely, Dato' Sharman and Encik Salimi which was disclosed under Practice 8.1, the Board decided to depart from making disclosures of the remaining top five KSM's remuneration in bands width of RM50,000 as the Board is of the opinion that such disclosure may cause tension among KSM.</p> <p>The Board believes such named disclosures are not in the Company's best interest, given the competitive human resource market in the Group's industries the Group operate, and the Company should protect the confidentiality of personal information especially on the employees' remuneration packages.</p> <p>In determining the appropriate remuneration packages for the Group's KSM, the NC considers several key factors, including but not limited to the individual's responsibilities, skills, expertise, deliverables as well as their contributions to the overall performance of the Group.</p> <p>The NC will also assess whether the proposed remuneration package is comprehensive and adequate to attract and/or retain executive talents within the Group. This thorough evaluation ensures that the remuneration structure aligns with the strategic objectives of the Group while maintaining competitiveness in the market.</p>

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

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	-	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-	-
4	-	-	-	-	-	-	-	-
5	-	-	-	-	-	-	-	-

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

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 Chairman of the ARMC is Puan Zariner whilst the Chairman of the Board is Tan Sri Acryl Sani. Both are Independent Non-Executive Directors.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>None of the current ARMC members is a former partner of the external audit firm of the Group.</p> <p>This practice had been incorporated in the ARMC’s Terms of Reference (“ARMC’s TOR”) which is available on the Company website, where it requires the former partner of an external audit firm and/or the affiliate firm (including those providing advisory services, tax consulting, etc) of the Company or any entity within the Group to observe a cooling-off period of at least three years before he/she can be considered for appointment as a member of the ARMC, to safeguard the independence and objectivity of the audit process.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The ARMC’s TOR stipulates that the ARMC is responsible for assessing the independence and capabilities of the external auditors as well as the effectiveness of the external audit process before recommending their appointment or re-appointment to the Board for consideration.</p> <p>The ARMC reviews, assesses and monitors the performances, suitability and independence of the external auditors, taking into consideration the quality of the audited financial statement, feedback from the Management as well as the external Auditors’ confirmation on their independence from time to time.</p> <p>The external Auditors had confirmed to the Board on their independence in writing in providing both audit and non-audit services prior to the commencement of the annual audit for the financial year 2024 and they have also re-affirmed the same upon completion of the annual audit.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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	:	Throughout the financial year 2024, the ARMC comprises solely of Independent Non-Executive Directors as follows:-		
		Name	Membership	Designation
		Puan Zariner	Chairperson	Independent Non-Executive Director
		YM Tengku Saifan Rafhan	Member	Independent Non-Executive Director
		Puan Aznita (<i>Appointed on 1 November 2024</i>)	Member	Independent Non-Executive Director
		Puan Haslinda Bt Hussein (<i>Resigned on 30 September 2024</i>)	Member	Independent Non-Executive Director

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>Puan Zariner, the Chairperson of the ARMC, is a Fellow member of Association of Chartered Certified Accountants (ACCA) and a member of the Malaysian Institute of Accountants (MIA). She has over 30 years of experience in various accounting and financial management positions.</p> <p>The members of the ARMC possessed appropriate mix of skills, knowledge and experience. They have sound knowledge and understanding of financial reporting, management requirements as well as the Company's business to discharge their duties and responsibilities.</p> <p>The ARMC undertake and will continue to undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules as and when required to enable them to effectively discharge their duties and responsibilities.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Board has established an effective risk management and internal control framework within the Group, the details are set out in the Statement on Risk Management and Internal Control in the Company’s Annual Report 2024.	
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 Company has outsourced enterprise risk management advisory services to Axcelasia Sdn Bhd (“Axcelasia”). The engagement team of Axcelasia will conduct reviews and audits to assess the adequacy and effectiveness of material internal controls on significant risks and report directly to the ARMC the significant matters, any material non-compliance or lapses in internal controls, along with their recommendation on the mitigating actions.	
		Subsequently, the ARMC will review the adequacy and effectiveness of the risk management and internal control process based on the audit findings and recommendations from Axcelasia. The audit encompassed financial, operational and compliance risks within the Group.	
		The features of the Group’s risk management and internal control framework are disclosed in the Statement on Risk Management and Internal Control in the Company’s Annual Report 2024.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Board did not establish a separate Risk Management Committee but combined it with the Audit Committee and named it as ARMC.</p> <p>The ARMC comprises solely the Independent Non-Executive Directors who oversees the effectiveness and adequacy of the Group's risk management framework and policies.</p>

Intended Outcome

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

Practice 11.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company had engaged Axcelasia as its Internal Auditors to perform internal audit functions with impartiality, proficiency and due professional care. Axcelasia undertakes regular monitoring of the Group's key controls and procedures with professional mechanism, which is an integral part of the Group's internal control system. Axcelasia reports directly to the ARMC to ensure independency.</p> <p>Axcelasia will present the internal audit reports to the ARMC for their review and deliberation periodically. The ARMC will also be briefed on the progress made in respect of each recommendation, and of each corrective measure taken as recommended by the audit findings.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 11.2

The board should disclose—

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

Application	:	Applied
Explanation on application of the practice	:	<p>The internal audit function has been outsourced to Axcelasia. An engagement team of three staff from Axcelasia (“Internal Audit Team”) was led by its Executive Director, Puan Noor Lilah Wati Binti Abdul Majid (“Puan Noor Lilah”), who has over 20 years of experience in providing risk-based audit, enterprise risk management, corporate governance and business continuity management advisory. Puan Noor Lilah is a certified business continuity practitioner from Business Continuity Institute and lead auditor for ISO 9000. She is also an Associate member of the Institute of Internal Auditors Malaysia (“IIAM”).</p> <p>The Internal Audit Team is subsequently led by Mr David Low, an Executive Director cum Chief Operating Officer of Axcelasia, commencing 1 October 2024, who has over 16 years of experience in internal and external audit, transformation and business process consultancy services, with the following qualifications:-</p> <ul style="list-style-type: none">(a) Certified Internal Auditor, IIA (USA);(b) Professional Member of the IIAM;(c) Fellow Member of the Association of Chartered Certified Accountants (UK);(d) Chartered Accountant, Member of the Malaysian Institute of Accountants (MIA);(e) Associate Member of the Association of Certified Fraud Examiners; and(f) ISO37001:2016 ABMS, Certified Lead Assessor. <p>The Internal Audit Team involved in the internal audit reviews possess relevant professional qualification and/or a university degree.</p> <p>The Internal Audit Team reports directly to the ARMC and affirmed that the Internal Audit Team is free from any relationships or conflicts of interest in respect of the Group which impair their objectivity and independence during the internal audit review.</p>

	The internal audit reviews were conducted using a risk-based approach and were guided by the International Professional Practice Framework issued by the IIAM.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is committed to ensuring that communications to stakeholders and the public is effective and on timely basis. The Board also aims to promote and demonstrate a high standard of integrity and transparency through timely, accurate and full disclosure, enabling investors to make informed decisions in valuing the Company's shares.</p> <p>The Company maintains its Company's website at https://www.steelhawk.com.my as one of the formal communication channels for its shareholders and the public to access the corporate information of the Company easily.</p> <p>In addition, all stakeholders of the Company, including its shareholders, are allowed to contact or communicate with the Company on their enquiries or concerns through the following designated telephone, facsimile, e-mail or by post to the specified office:-</p> <p>(a) Issues regarding corporate governance concerns, financial performance, operations and business be addressed to the Chairman's office located at 23-2, Block H, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya, Selangor E-mail: contact@steelhawk.com.my Tel No.: 03-7880 7818 Fax No.: 03-7880 7535; and</p> <p>(b) Issues regarding the Company's securities be addressed to the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. located at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur E-mail: is.enquiry@vistra.com Tel No.: 03-2783 9299 Fax No.: 03-2783 9111.</p> <p>The Board is also of the view that general meetings are an important channel to communicate with its shareholders and address their concerns. The Chairman encourages the shareholders' active participation during the general meetings, including raising their</p>

	<p>enquiries or concerns on the Group's strategic direction, financial performance, business operations and the relevant proposed resolutions and that the Board and Management would address to their enquiries or concerns accordingly.</p> <p>Saved for the abovementioned, the Group's financial performance, major corporate development and any material information are disseminated to its shareholders and the public through announcements to Bursa Malaysia Securities Berhad, media releases and Annual Report.</p>	
Explanation for departure	:	
	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Notice of the 3 rd AGM had been circulated to the shareholders of the Company who are entitled to attend the AGM or appoint proxies to attend and vote in his/her stead at least twenty-eight days prior to the date of the AGM, on 27 May 2024.	
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 the Chairpersons of the respective Board Committees), Chief Financial Officer and the Company Secretaries attended the following general meetings held in 2024 to deliver meaningful responses to queries addressed to them and to engage with the shareholders:-	
		Meetings	Date of general meeting
		Extraordinary General Meeting (“EGM”)	22 January 2024
		3 rd AGM	25 June 2024
		In addition, the Principal Advisers, UOB Kay Hian Securities (M) Sdn. Bhd. attended the general meetings listed above to facilitate the Board in providing clarification to the shareholders, if required. The external auditors also attended the 3 rd AGM held on 25 June 2024 to provide clarification on the Company’s financial statements.	
		Shareholders were invited to submit questions during the general meetings, but there were no questions from them.	
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	:	Applied
Explanation on application of the practice	:	<p>The Company conducted an EGM virtually through live streaming and online remote voting via RPV facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. in Malaysia via Tricor's TIH Online website at https://tiih.online on 22 January 2024. The TIH Online platform is hosted in a secure cloud platform and the data centre is certified by ISO27001.</p> <p>The shareholders were able to attend, participate, post question, and vote remotely at the EGM via the RPV facilities. Before proceeding with the EGM's agenda items, the shareholders, proxies and corporate representatives were briefed on the voting procedures through the RPV facilities.</p> <p>Additionally, the Administrative Guide was circulated to the shareholders annexed to the Notice of the EGM, detailing the registration of attendance, posting of questions prior to the EGM, appointment of proxies and corporate representatives, and remote voting of resolutions.</p> <p>The Board recognises the advantages of RPV facilities which enable more accurate and transparent voting results and shorten turnaround time for declaration of voting results.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.4

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.

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.

Application	:	Applied
Explanation on application of the practice	:	<p>There were two general meetings convened in 2024, in physical and virtual manners respectively, to facilitate meaningful interaction among Directors, Senior Management and Shareholders.</p> <p>The Company conducted an EGM virtually through live streaming and online remote voting via RPV facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. in Malaysia via Tricor's TIIH Online website at https://tiih.online on 22 January 2024 while the Company's 3rd AGM was conducted physically at Greens III Sports Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor, Malaysia on 25 June 2024.</p> <p>The Chairman is committed to ensuring that shareholders were given the opportunity to raise questions during the EGM and AGM respectively.</p> <p>The Shareholders were allowed to submit questions to the Board prior to the EGM via TIIH Online website at https://tiih.online. The Questions and Answer session was kept open to allow the shareholders, proxies and corporate representatives to pose questions real time (in the form of typed text) throughout the EGM via the Query Box. During the AGM, the Chairman invited questions from the shareholders, proxies and corporate representatives after deliberations on each agenda item.</p> <p>However, there were no questions raised by any shareholders, proxies, corporate representatives during the EGM and AGM respectively.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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	:	Applied
Explanation on application of the practice	:	<p>There were two general meetings convened in 2024, in physical and virtual manners respectively, to facilitate meaningful interaction among Directors, Shareholders and Management.</p> <p>The Company conducted an EGM virtually through live streaming and online remote voting via RPV facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. in Malaysia via Tricor's TIIH Online website at https://tiih.online on 22 January 2024 while the Company's 3rd AGM was conducted physically at Greens III Sports Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor, Malaysia on 25 June 2024.</p> <p>The RPV facilities in the TIIH Online platform enabled the EGM to be hosted successfully. The shareholders were able to participate, pose questions and vote remotely via the TIIH Online platform.</p> <p>The RPV facilities supported the following features to ensure a meaningful engagement between the Board, Senior Management and Shareholders during the EGM:-</p> <ul style="list-style-type: none">(a) live-video stream of all Directors, Senior Management and Company Secretary who participated in the EGM;(b) tutorial video to guide shareholders, proxies and corporate representatives through the voting procedure using TIIH's Online platform;(c) submission of queries by shareholders, proxies and corporate representatives prior to and throughout the meetings; and(d) online poll voting was initiated at the commencement of the meetings and ended at the end of voting session to facilitate

	shareholders, proxies and corporate representatives to cast their votes.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>											
Application	:	Applied									
Explanation on application of the practice	:	<p>The Minutes of the general meetings had been published on the Company's website at https://www.steelhawk.com.my within thirty business days after each general meeting, details are as follows:-</p> <table border="1"><thead><tr><th>Documents</th><th>Date of general meeting</th><th>Date of publication</th></tr></thead><tbody><tr><td>Minutes of the EGM</td><td>22 January 2024</td><td>21 February 2024</td></tr><tr><td>Minutes of the 3rd AGM</td><td>25 June 2024</td><td>2 August 2024</td></tr></tbody></table>	Documents	Date of general meeting	Date of publication	Minutes of the EGM	22 January 2024	21 February 2024	Minutes of the 3 rd AGM	25 June 2024	2 August 2024
Documents	Date of general meeting	Date of publication									
Minutes of the EGM	22 January 2024	21 February 2024									
Minutes of the 3 rd AGM	25 June 2024	2 August 2024									
Explanation for departure	:										
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>											
Measure	:										
Timeframe	:										

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

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